



GBM Gold Ltd

Bendigo Goldfield

May 2016

Bendigo Goldfield Purchase



GBM Gold Ltd

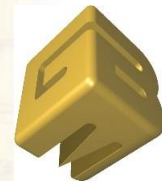
ABN: 38 147 300 418

GBM Gold has purchased Unity Mining Limited's Kangaroo Flat gold plant, equipment and facilities, including mining and exploration tenements, buildings and freehold land in the Bendigo area.

- ✓ \$1,200,000 paid to Unity Mining Limited;
- ✓ Unity placed the \$5,948,000 held to meet rehabilitation obligations at Bendigo into GBM's bank account.
- ✓ On the first anniversary of completion – GBM will pay Unity \$1,100,000
- ✓ On the second anniversary of completion – GBM will pay Unity \$1,878,000; and
- ✓ On the third anniversary of completion – GBM will pay Unity \$1,870,000.

In addition, the parties have agreed that, should GBM sell 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.

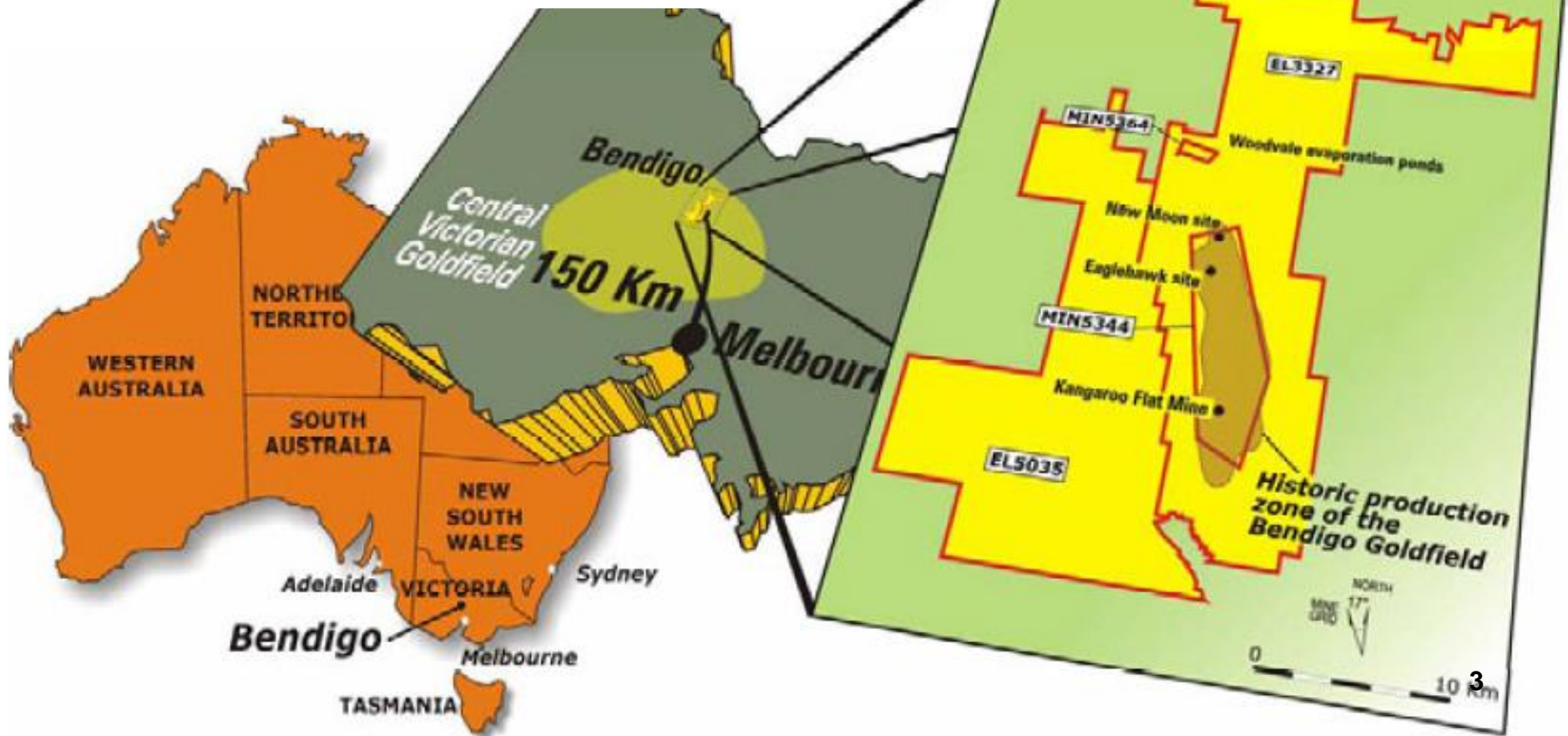
Bendigo Goldfield



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Historical and modern mining has left;

- Attractive Exploration targets
- Near term production potential
- Significant quantities of gold bearing tailings,
- Construction sand as a by-product,
- Mine assets including a 600,000 tpa plant





Bendigo Gold Project

Tailings Dams

Gold Processing Plant

Decline

Offices

Total investment to date \$350 million

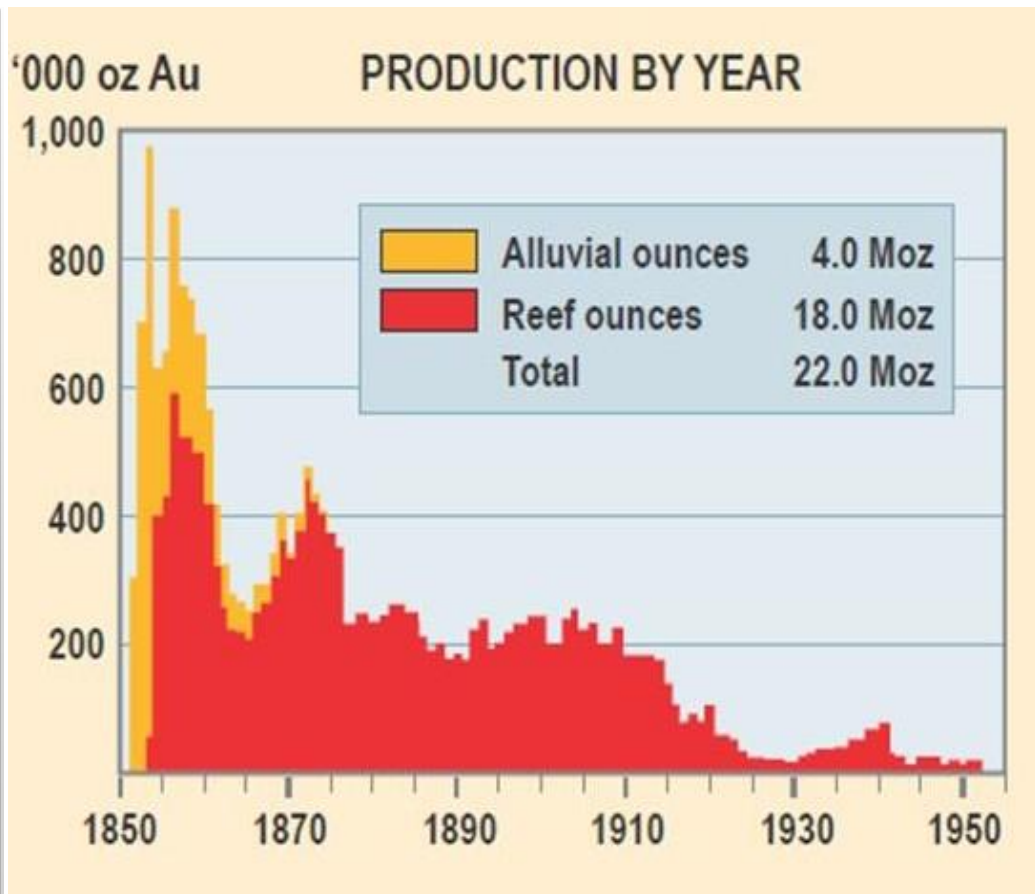
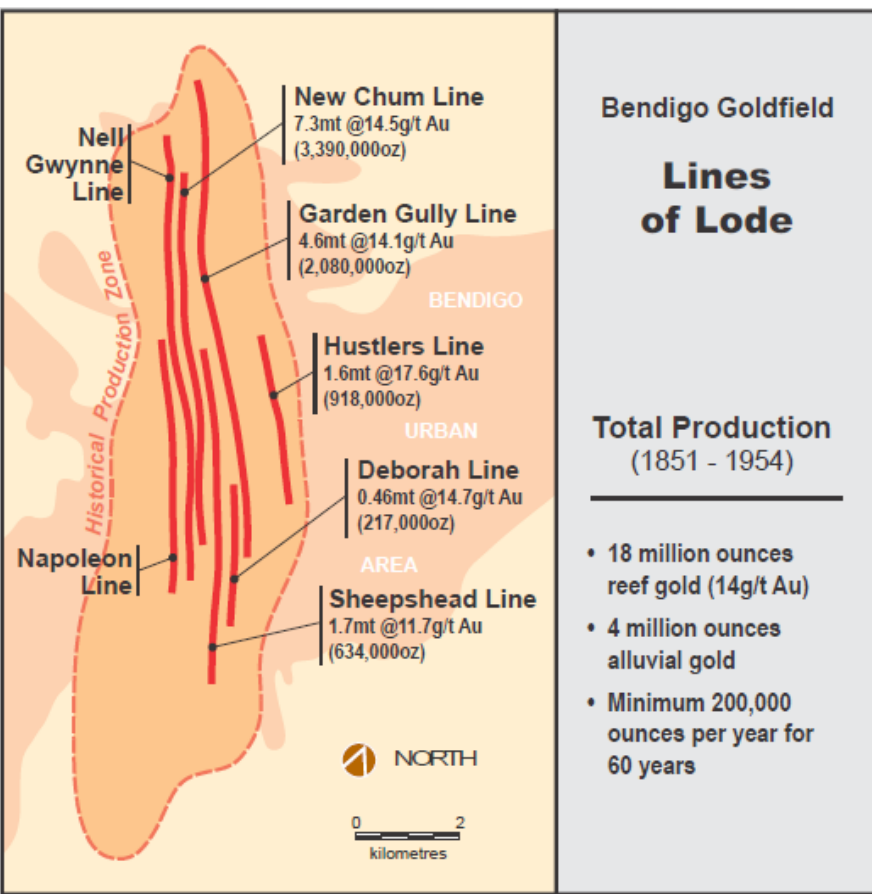
Bendigo a World Class Goldfield



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- Situated just 150km from Melbourne, the immense riches derived from the Bendigo Goldfield played a significant part in Melbourne's ascent to affluence, and the birth of modern Australia.
- The Bendigo Goldfield is Australia's second richest historical goldfield after Kalgoorlie's Golden Mile with 22 million ounces of gold produced.



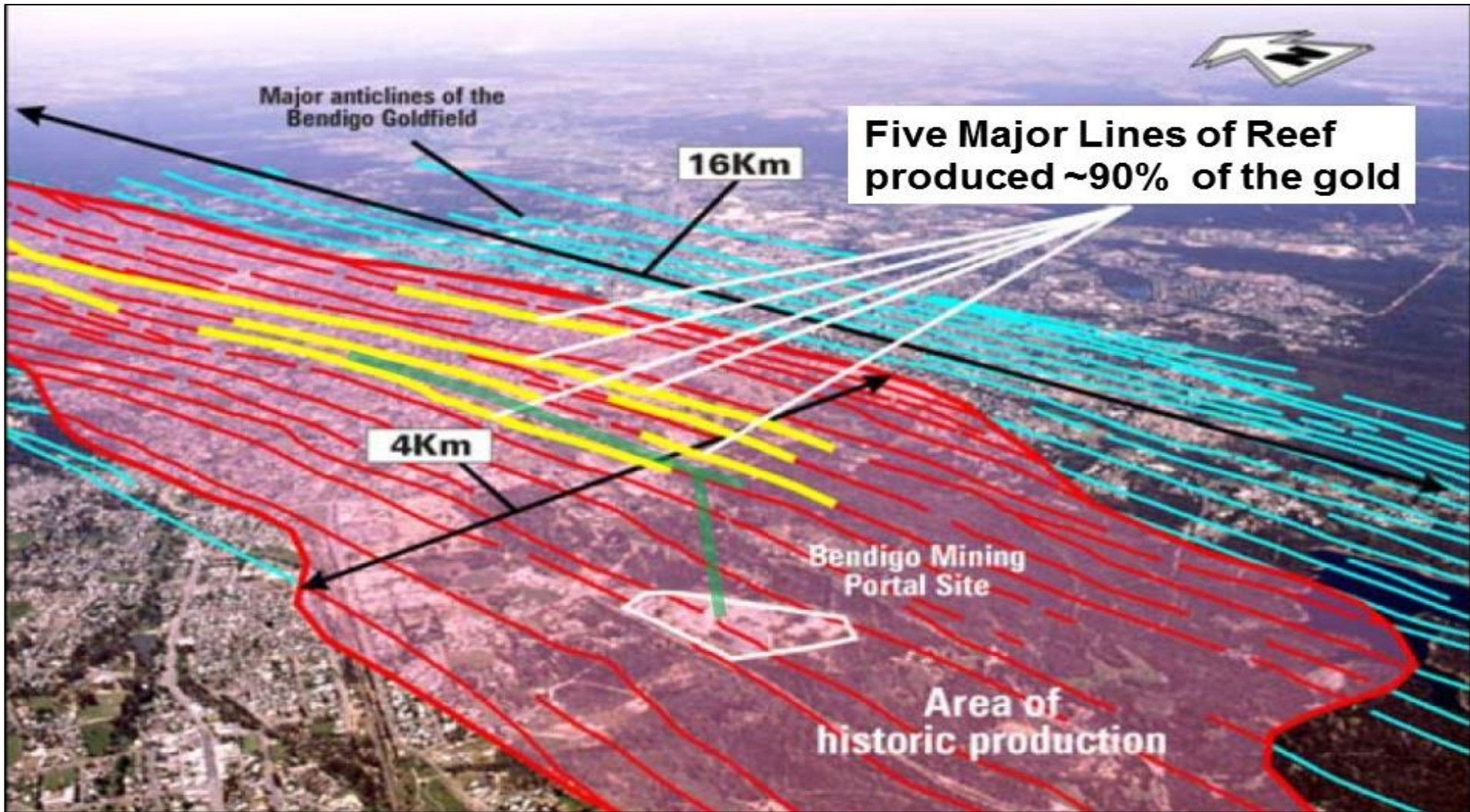
Bendigo Saddle Reefs



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- Bendigo is famous for its saddle reefs located at or near the top of anticlines. Seventeen of these anticlinal “lines” are known to be mineralised, others have had limited exploration.
- Five of them produced ~90% of the gold.



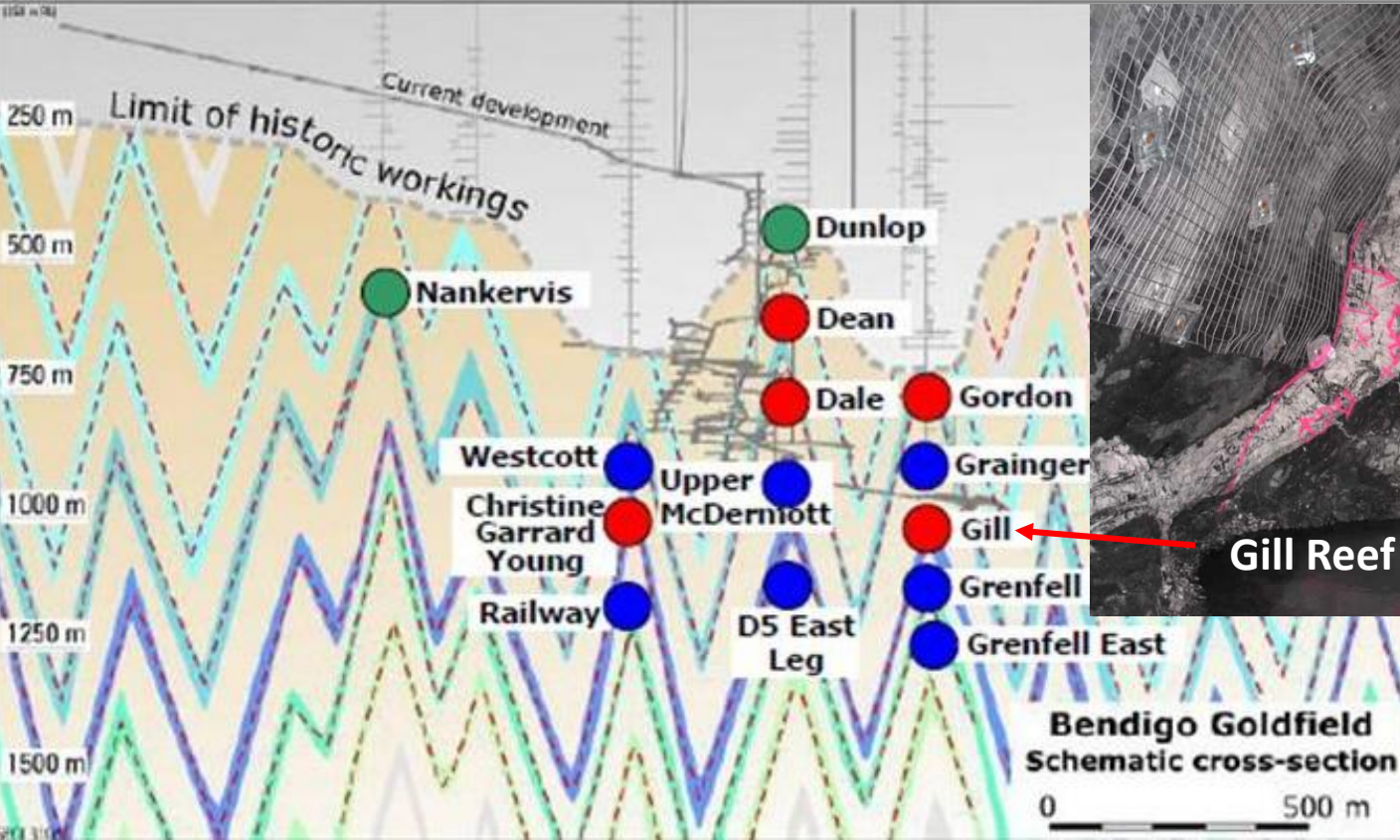
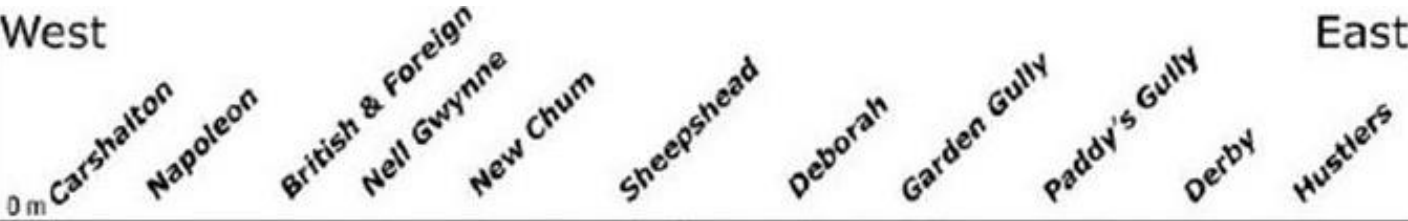
Modern Gold Production



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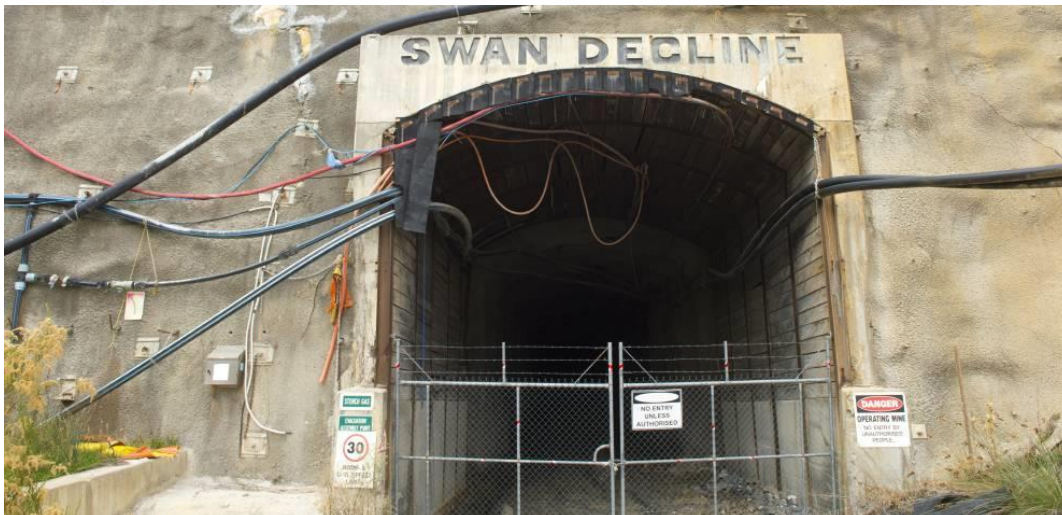
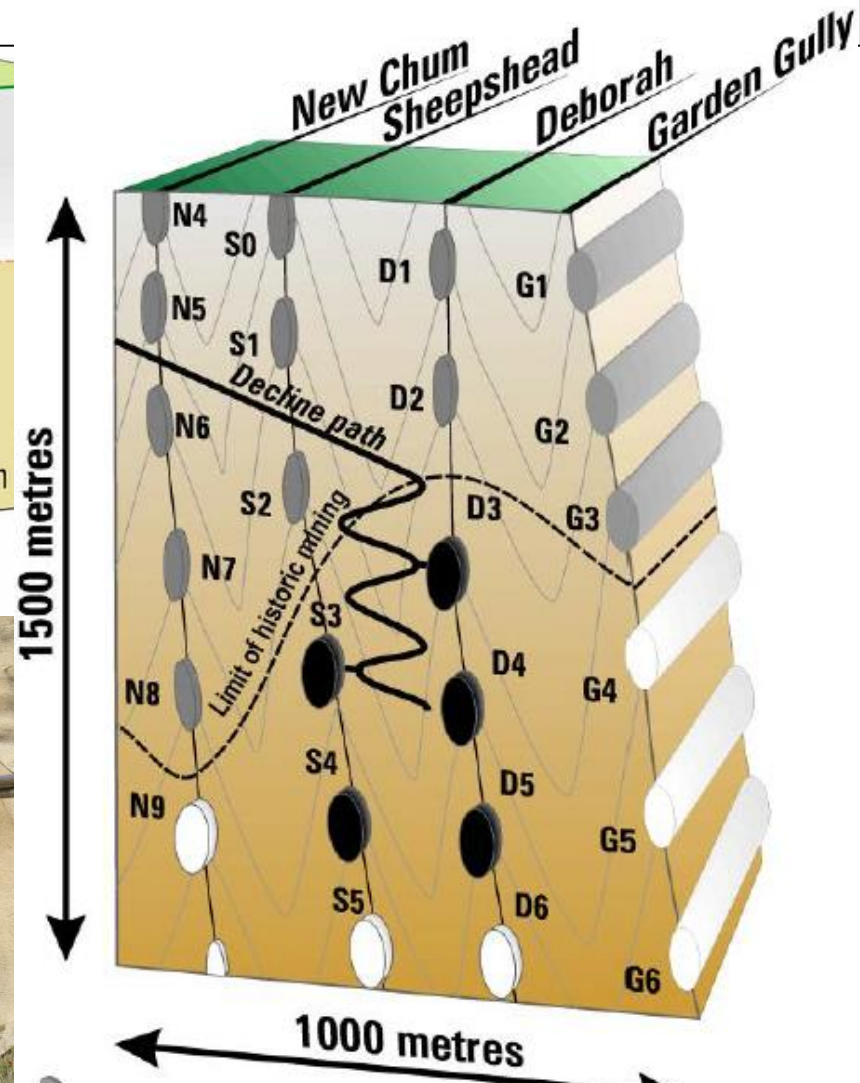
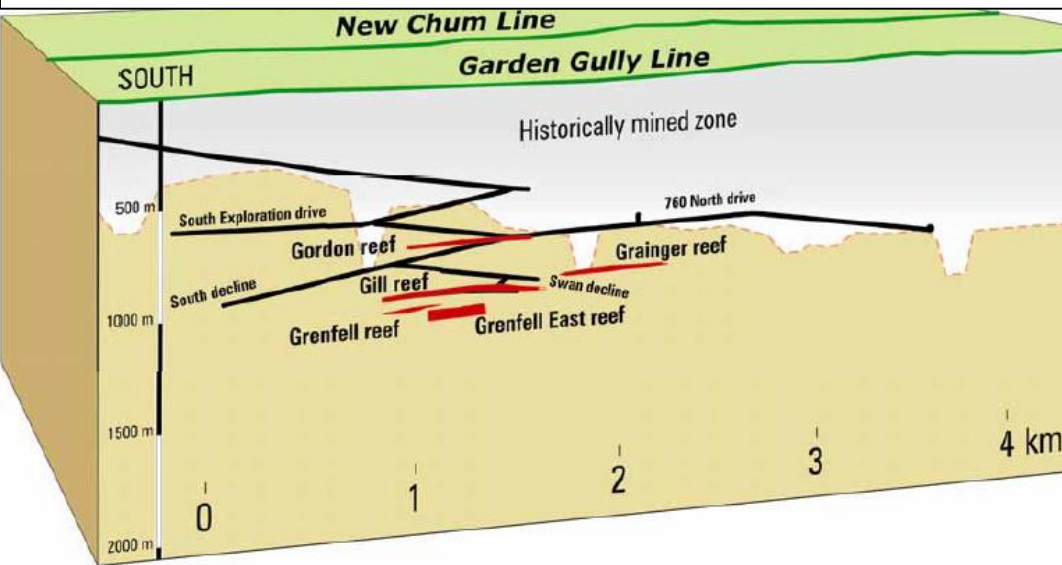
- Bendigo Mining (now Unity Mining Limited) developed a decline from the Kangaroo Flat mine site, which bridged eight gold-bearing reef zones, continued to depths of about 1,000 metres and produced ~135,000 ounces of gold.



Underground Development



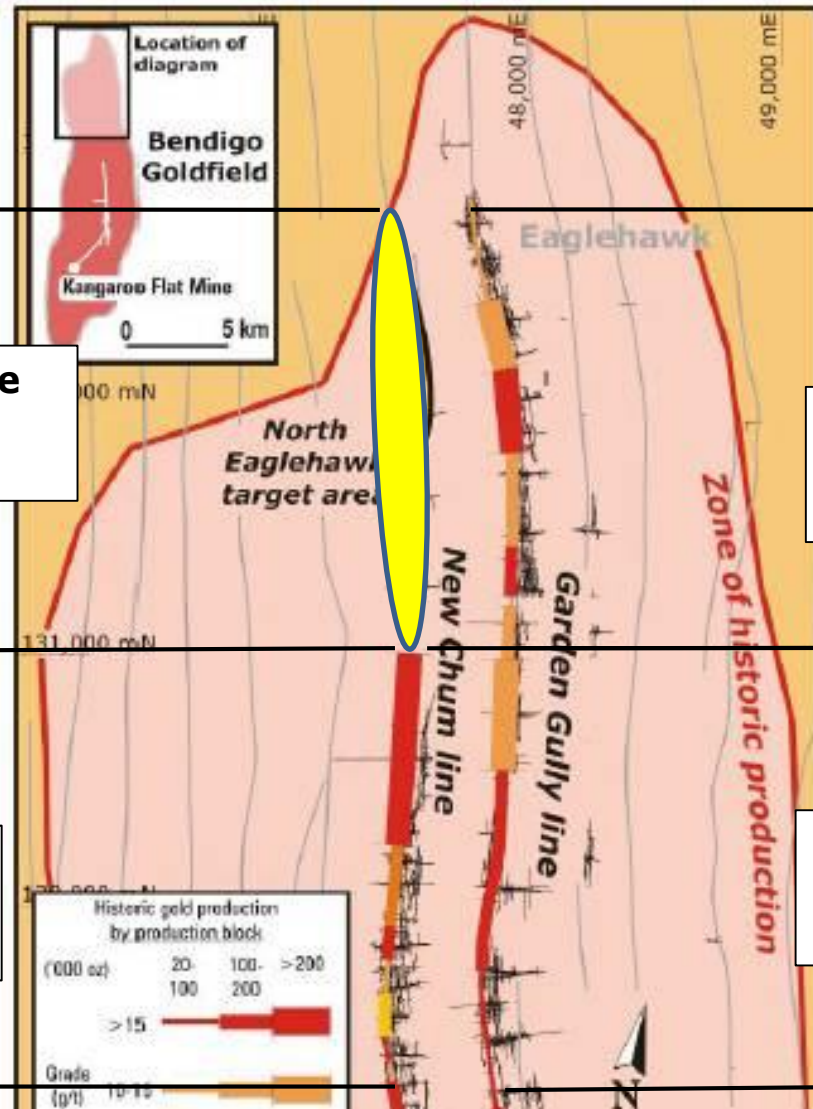
There is 18km of underground development accessed by the Swan Decline at Kangaroo Flat GBM has identified underground targets close to existing development that represent near term production potential.



Targets in the North of the Field



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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**

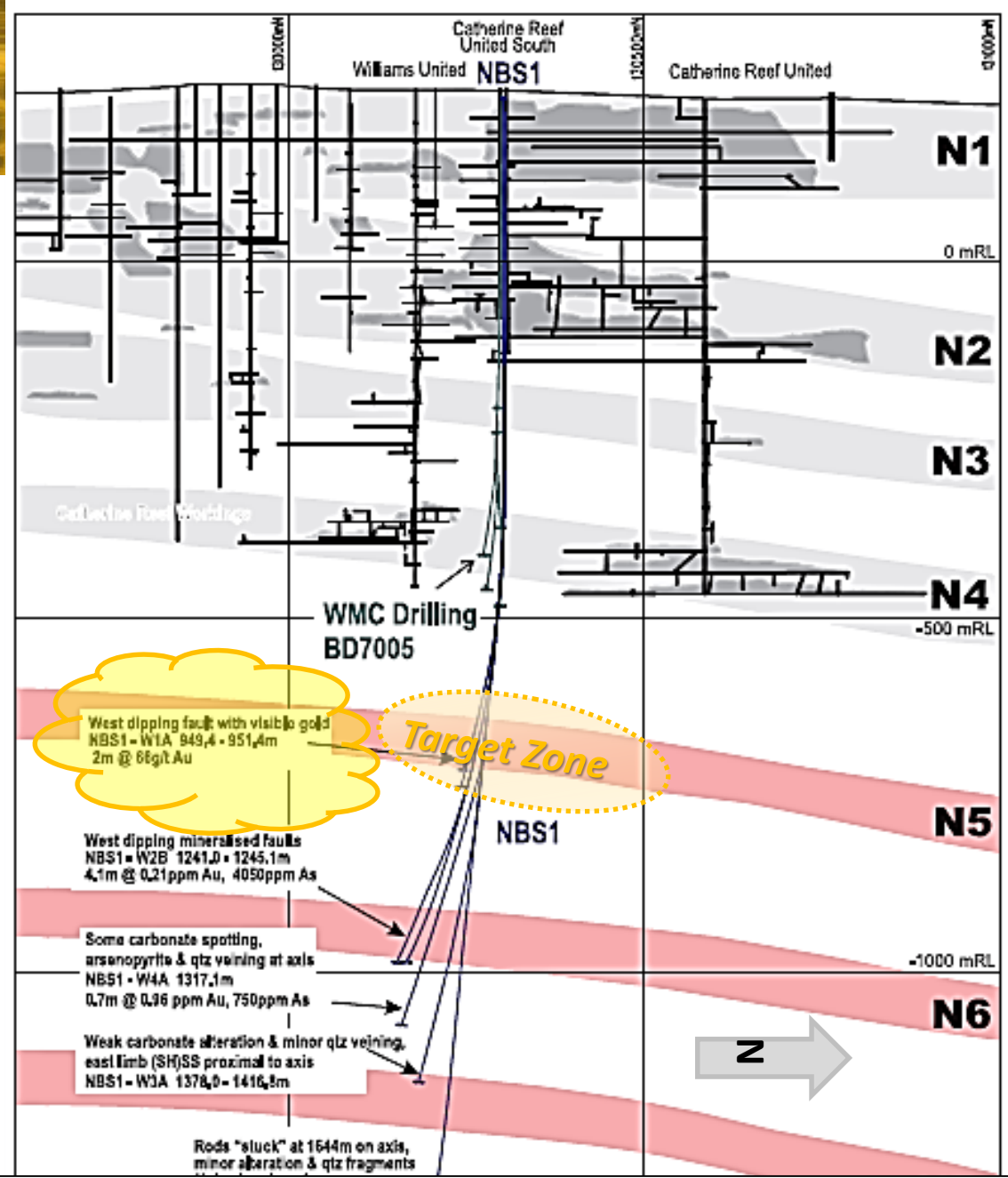
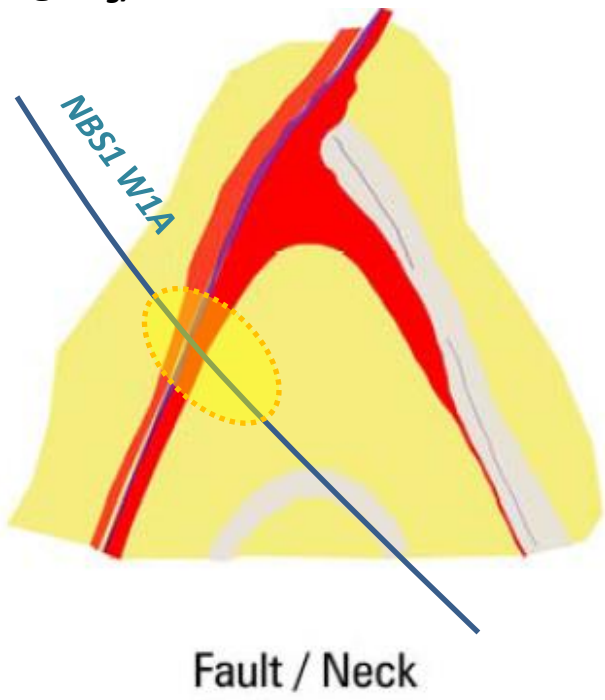
**Historic Mining
1,900,000 t @ 14.3g/t
870,000 ounces of gold**

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

NEW CHUM LINE NORTH

Catherine Deeps Target

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



Unity Mining drilled beneath the existing workings in the north of the field.
 Drilling discovered additional potential with good results including 66g/t over 2 metres.

Kangaroo Flat Mine



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- Ore was processed through the 600,000 tonne per annum gold plant
- The plant which was constructed at a cost of \$64.4 million is now a substantial GBM asset.



Kangaroo Flat Sand Dams



GBM has identified an existing gold and sand resource at Kangaroo Flat.



Coarse Sand Dam - 425,000 tonnes of sand
Containing up to 7,000 ounces of gold

Fine Sand Dam – 200,000 tonnes

Processing the sand will produce a saleable sand product and recover gold.



GBM drilled the coarse sand dam in 2015.



- ✓ Analysis to define gold content and physical properties of the sand.
- ✓ The most significant gold result was 3m @ 1.78g/t Au from surface
- ✓ Total estimated contained gold up to 7,000 ounces.
- ✓ Test work showed that the sand is suitable for use in the construction industry.

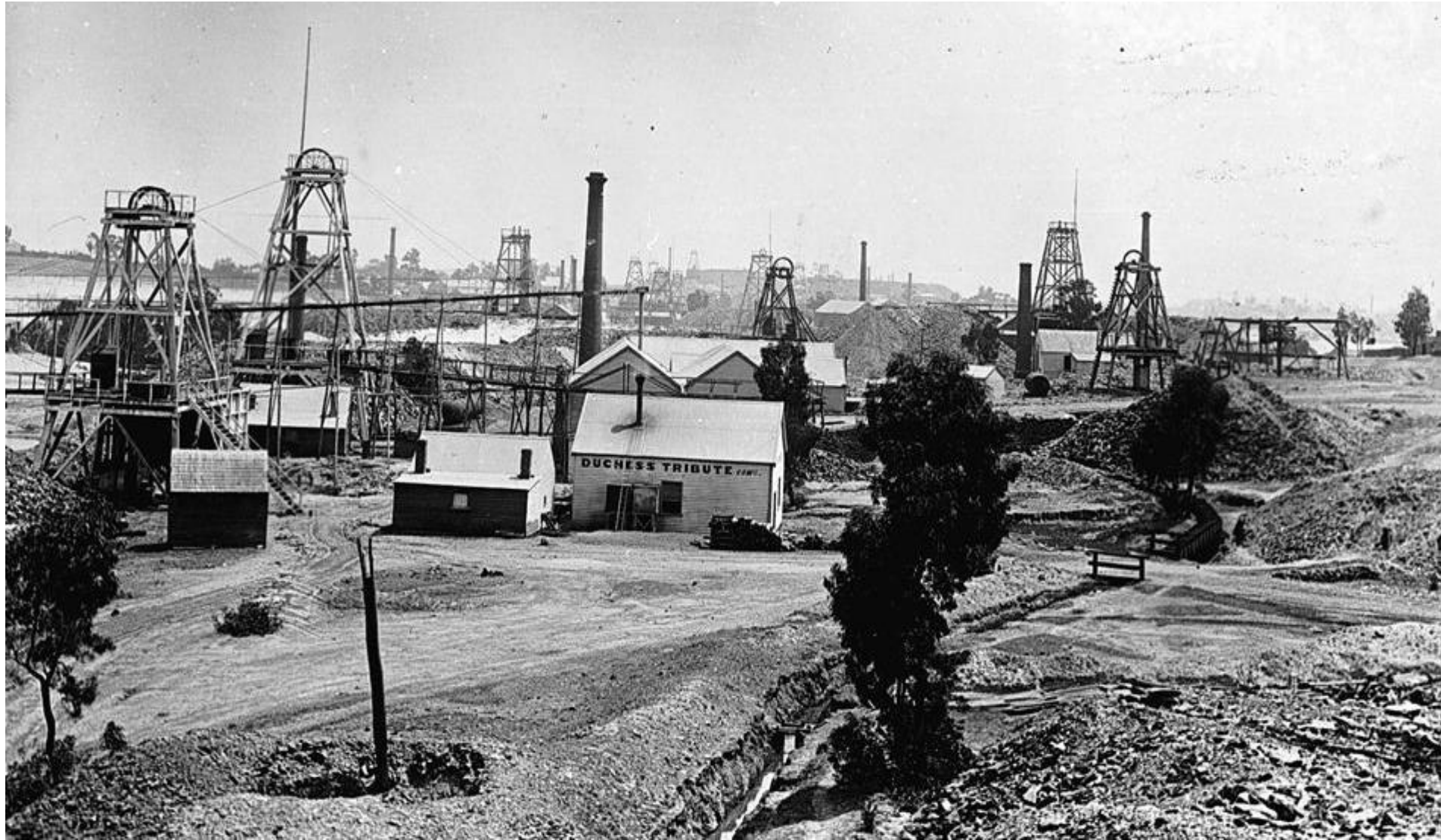
Bendigo Goldfield



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- It is estimated that five thousand shafts were sunk at Bendigo during the hundred year period of mining, from which more than 40 million tonnes of 'quartz reef' ore were extracted.



Bendigo Tailings



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- The 40 million tonnes of 'quartz reef' ore mined produced an equivalent amount of tailings.
- During the 1980's and 1990's tailings dumps in Bendigo were reprocessed by miners on a commercial basis, at no cost to state or local governments, to extract remnant gold, and then relocated to purpose built dams which met modern environmental standards.
- Bendigo Council made submissions to the Victorian Government in 2011 to clean up the tailings in Bendigo to provide more land for residential development.
- GBM would like to work with Council and the Bendigo Community to achieve this outcome.
- In excess of 1.0 million tonnes of sand tailings remain containing containing gold and sand suitable for the construction industry.



Woodvale Evaporation Ponds

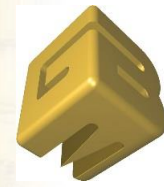


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- GBM has title to 179Ha of land at Woodvale that was developed into evaporation ponds for Bendigo ground water disposal.
- The Victorian Government is developing alternate options for ground water disposal
- The Woodvale Ponds are no longer part of the groundwater management strategy.



- GBM intends to remediate Ponds 6 & 7 over the next two years and work towards restoring productive agricultural land over the entire site.
- This will provide the opportunity for GBM to have the rehabilitation bonds released and, ultimately, realise the value of the land.



1. GBM will implement environmental cleanup projects in Bendigo.
2. These projects address the legacy of historical and modern mining.
3. The funds generated will be used to evaluate underground potential in Bendigo.
4. A positive outcome will see the recommencement of underground mining.