



19 May 2017

ASX Announcement

Updated March 2017 Quarterly Report to Shareholders

GBM Gold Limited

ABN 59 119 956 624

ASX CODE: GBM

CORPORATE DETAILS:

Shareholders:

704

Shares on Issue:

1,118,319,556

Options: Nil

Directors:

Eric JP Ng (*Chairman*)

John Harrison (*CEO*)

Paul Chan

Andy Lai

Linda Lau

Jianping Wang

Andrew Chan

Company Secretary:

Andrew Chan

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Summary

GBM Gold Limited (GBM) has been informed by the ASX that there were deficiencies in the information presented in the March Quarterly Report dated 27 April 2017. The deficiencies relate to the use of the term resource target used in the report. The JORC Code 2012 limits the use of the terms Resource and Target.

A revised March Quarterly Report is presented below in compliance with the JORC code. It also quantifies the grade of gold mineralisation believed to be present in the Coarse Sand Dam at GBM's Kangaroo Flat mine.

Updated Information

GBM Gold Limited (GBM) has undertaken an analysis of the Bendigo goldfield to determine the scope of mineralisation and the potential size and tenor of mineralised zones. From this it has been determined that:

- Systematic exploration beyond the centre of the field both in the historic deep mines and in the modern mine has the highest prospect of success.
- The best of the historic mines usually only worked one or two 'bonanza' reefs but that these were sufficiently rich to furnish a large net profit over the whole life of these mines.
- The focus of initial underground exploration will be the Nell Gwynne Dome in the vicinity of the historic Concord Mine where a prospective zone above the current mine water level intersects the decline.

GBM Gold is progressing its plans to begin production in 2017 at its Kangaroo Flat Site and Harvest Home Project.

1. Mining and Exploration

GBM Gold Limited (ASX: GBM) ("GBM" or "the Company") is actively working towards developing mining projects in Central Victoria's proven gold mining areas (Figure 9).

Work during the March Quarter focused on:

- Progressing planning for the processing of the Kangaroo Flat Sand Dams.
- Progressing exploration and mining work plans for the Harvest Home Project.
- Assessing the potential of the Bendigo Goldfield for near mine geological targets to identify mineable reefs.
- Rehabilitation of the Fiddlers Creek mine site.
- Rehabilitation of the Woodvale Evaporation Ponds Complex.

1.1 Bendigo Project (MIN5344, MIN 5364, MIN 4878, EL 3327, EL 5035)

MIN5344: Bendigo Exploration

The most productive portion of the Bendigo Goldfield lies in an envelope some 16 kilometres long by 4 kilometres wide. Within this zone seventeen major anticlines occur, twelve of which account for the bulk of the hard rock gold production on the Bendigo Goldfield. The most productive anticlines (those producing more than 500,000 ounces each) are the Garden Gully, New Chum, Hustlers, Sheephead, and Carshalton lines of mineralisation.

Bendigo Mining constructed a decline from the Kangaroo Flat site which bridged eight anticlines in the southern and central portions of the gold-field and continued to depths in excess of 1,000 metres below the streets of Bendigo (Figure 1).

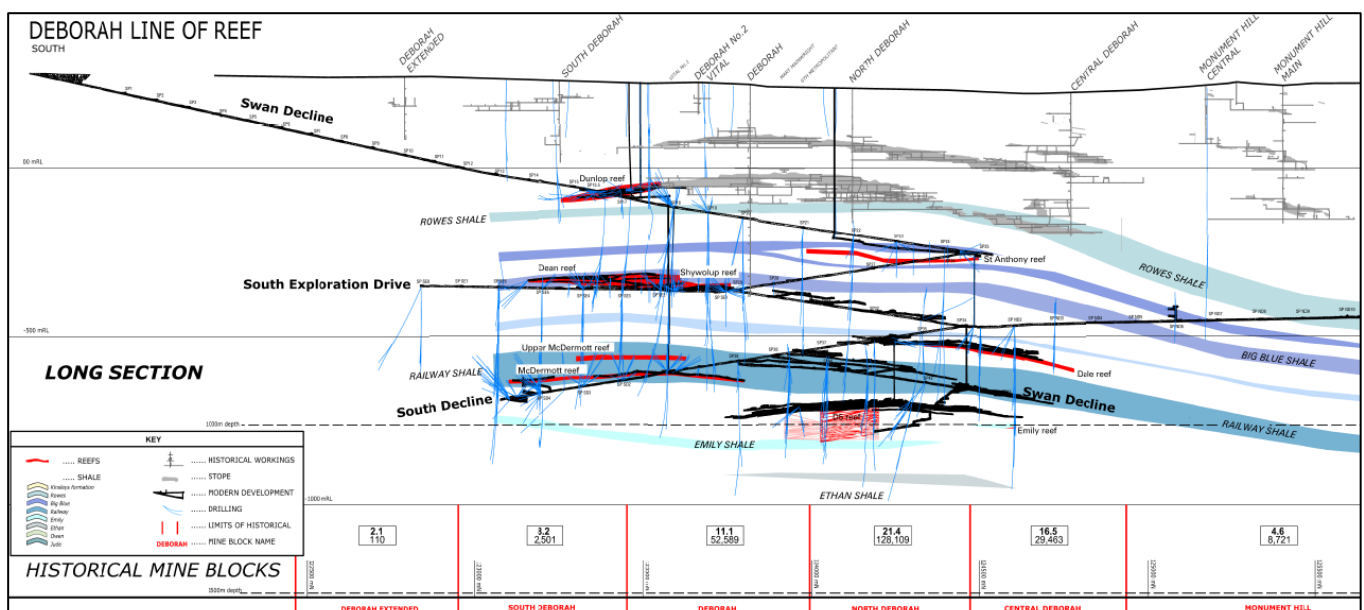


Figure 1: Deborah Line of Reef, Decline Development

Bendigo Mining's decision to construct the decline was based on their understanding of the controls of gold mineralisation within the goldfield and the belief that a significant resource potential may be present below the main historical workings to a depth of 1,500 metres below surface. An exploration strategy was developed to prove and then exploit this resource potential using the decline to provide underground access.

The strategy, termed the "New Bendigo" project, formed the basis of a number of capital raisings, which enabled the continued development of the Swan decline towards targets identified by drilling on both the Sheephead and Deborah Anticlines. Once mining started it was discovered that the gold resources available were not sufficient to sustain the proposed scale of operations and a decision was made to cease mining operations. The mine was subsequently re opened and a number of productive zones were successfully exploited. Processing involved intermittent running the mill, this resulted in a lower than expected recovery in the processing plant. Mining and processing ceased in 2011 upon the exhaustion of known reserves.

Since acquiring the Bendigo tenements last year GBM Gold has commenced reassessment of the extensive geological and drilling database and is of the view that mineralisation dimensions and continuity were appreciably overstated in the “New Bendigo” models.

The Bendigo field is one of bonanzas. Instead of large bodies of uniform grade the gold at Bendigo is relatively coarse and occurs in shoots that may be very rich and although generally in the order of 100's of metres long may extend for considerable length in reefs of otherwise nearly barren quartz. The Bendigo quartz reefs generally recur as ribbons one below the other at irregular intervals along specific anticlinal structures. While mineralisation in the ribbons was variable in many mines one bonanza was, on occasion, sufficiently rich to provide a large net profit over the whole life of the mine.

Figure 2 shows each historic mine as a coloured dot scaled by production. There are clusters of mines where the geological structure proved amenable to the formation of payable deposits (orange and pink dots). Of the 232 mines with recorded production there were 61 mines that produced in excess of 50,000 ounces of gold. It is clear that mineralisation is controlled by a complex set of interacting structural elements that GBM Gold is now starting to understand.

The number of mines in each range is shown in the table below.

Size: From - To	Number of Mines
<25,000 ounces	145
25,000 – 50,000 ounces	26
50,000 – 100,000 ounces	36
100,000 – 250,000 ounces	14
250,000 – 500,000 ounces	11
Total	232

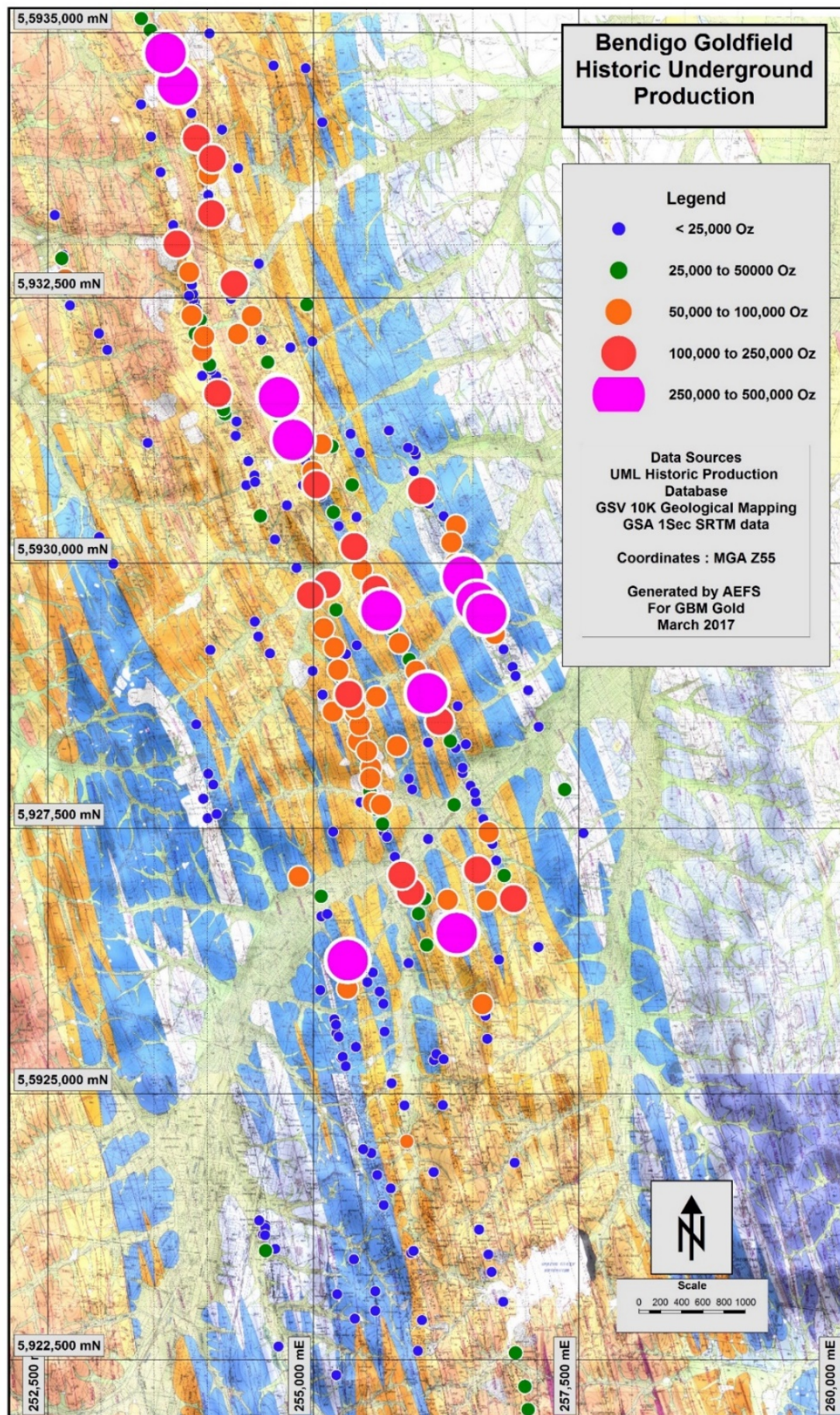


Figure 2: Scaled Gold Production by mine

Focussing on prospective structural zones is the key to success. GBM has analysed the field to determine areas that are likely to host mineralisation so that a comprehensive exploration plan can be developed. GBM Gold considers that discrete mineralised zones in the goldfield are likely to contain between 140,000 tonnes and 1,600,000 tonnes of ore at grades of between 3g/t and 11g/t gold containing between 50koz and 150koz of gold. NOTE: these figures are conceptual in nature and are based on analysis of the extensive geological database developed by the former holders of the mineral tenements together with historical mine production data. The figures describe the general tenor of the mineralisation and will be used to develop exploration targets. There has been insufficient exploration to generate a mineral resource estimate on any of the mineralised areas and there is no certainty that further work will result in the estimation of a mineral resource.

The following areas, shown in Figure 3, have been identified as being likely to contain mineralisation. Note unless specifically mentioned the areas discussed are conceptual in nature and insufficient work has been carried out to define them as exploration targets or to define a mineral resource:

- Hustlers Anticline between Great Extended Hustlers and Hustlers & Redan (discrete zone with comparatively low de-watering requirement, correct stratigraphy, prospective location on dome, prospective strike flexure and presence of cross-course faulting that is known to have resulted in localised enrichment).
- New Chum Anticline between Belltopper Hill and Snobs Hill, good, but deep, target area.
- New Chum Deeps between New Chum Railway and Victoria Quartz has had some drilling but the spacing was such that the zone was not adequately tested, it links two historically productive zones however it is deep and would require extensive dewatering to further test and exploit.

Other areas which have the right mix of structural elements to have potential to host appreciable mineralisation are, (Figure 3):

- GG Consolidated, Garden Gully Anticline, Spring Gully.
- Langdon Group, Murray Sub-Fold of the Christmas Anticline, Kangaroo Flat.
- Stafford Fault, Carshalton Anticline, Kangaroo Flat.
- Concord, Nell Gwynne Anticline, Kangaroo Flat
- Hercules, Sheepshead Anticline, Long Gully.
- Lightning Hill, Hustlers Anticline, Eaglehawk.
- Goldfields Group, Nell Gwynne Anticline, Spring Gully.
- Woodvale Area, northern portion of EL3327 (Figure 6).

Exploration success at Bendigo is dependent on understanding the structural controls on mineralisation. Some general observations on exploration:

- Systematic exploration beyond the centre of the field (particularly east of centre) both in the historic deep mines and in the modern mine has the highest prospect of success.
- Strike lengths of historically mined quartz structures are generally quite short (with notable exceptions), often only a couple of hundred metres (or less). Exploration drilling conducted by the previous owner in the central parts of the field has not conclusively dismissed the

potential for payable structures along the New Chum or Garden Gully anticlines due to broad drill spacing. Drilling on New Chum deep targets is sparse and inconclusive.

- In expectation of a reasonable probability of success, future exploration on the Bendigo Goldfield will be focused on the Goldfields Structural Domain where prospective stratigraphy exists at or below current erosion surface. This, in essence, describes the area bounded to the west by the Birds Anticline, to the east by the Lightning Hill Anticline, to the north by the tenement boundary and to the south by the Harcourt Granodiorite.

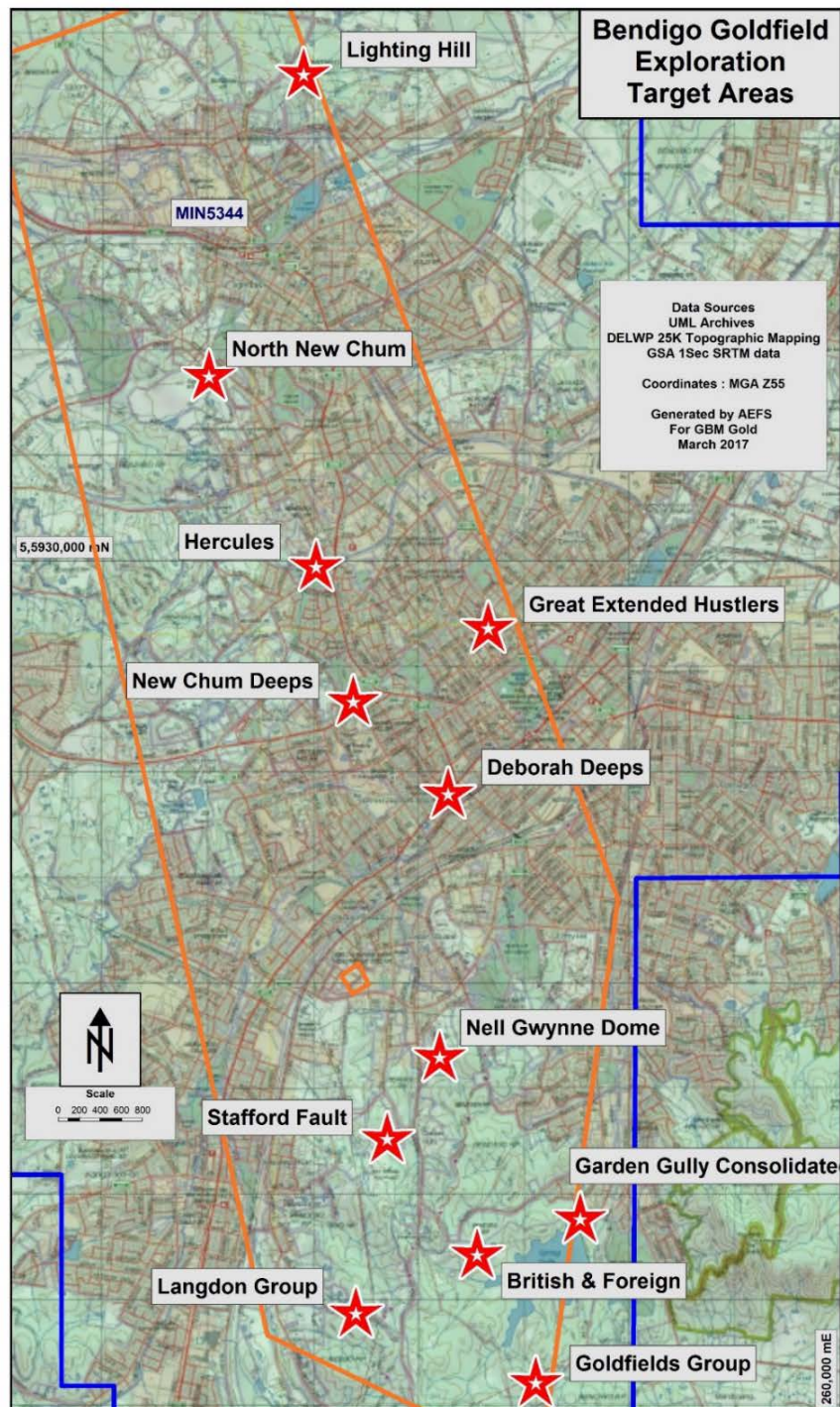


Figure 3: Near Mine Targets

Two of the targets, Nell Gwynne Dome and North New Chum were identified from exploration carried out by the previous owners.

Nell Gwynne Dome

The focus of the initial underground exploration will be the Nell Gwynne Dome in the vicinity of the historic Concord Mine. In 1998 Bendigo Mining commenced a decline from the Kangaroo Flat site which bridged eight anticlines, including the Nell Gwynne Anticline. Decline development passed within 50 metres of the Concord workings at a depth of approximately 180m below ground level (Figure 4). The area of the decline adjacent to the Concord Mine is above the current mine water level and only requires the reinstatement of the decline before work can commence.

Historical research suggests that a structure worked in the historic Concord Mine may correspond with a structure that was worked profitably in the Central Nell Gwynne mine further to the north. This structure is estimated to be within tens of metres of the decline in an area of pitch reversal and double folding. This type of structural complexity tends to favour the development of discrete mineralisation. It is proposed to investigate the Nell Gwynne anticline adjacent the historic Concord Shaft by diamond drilling from platforms located in existing development and from limited new development if initial drilling is sufficiently encouraging.

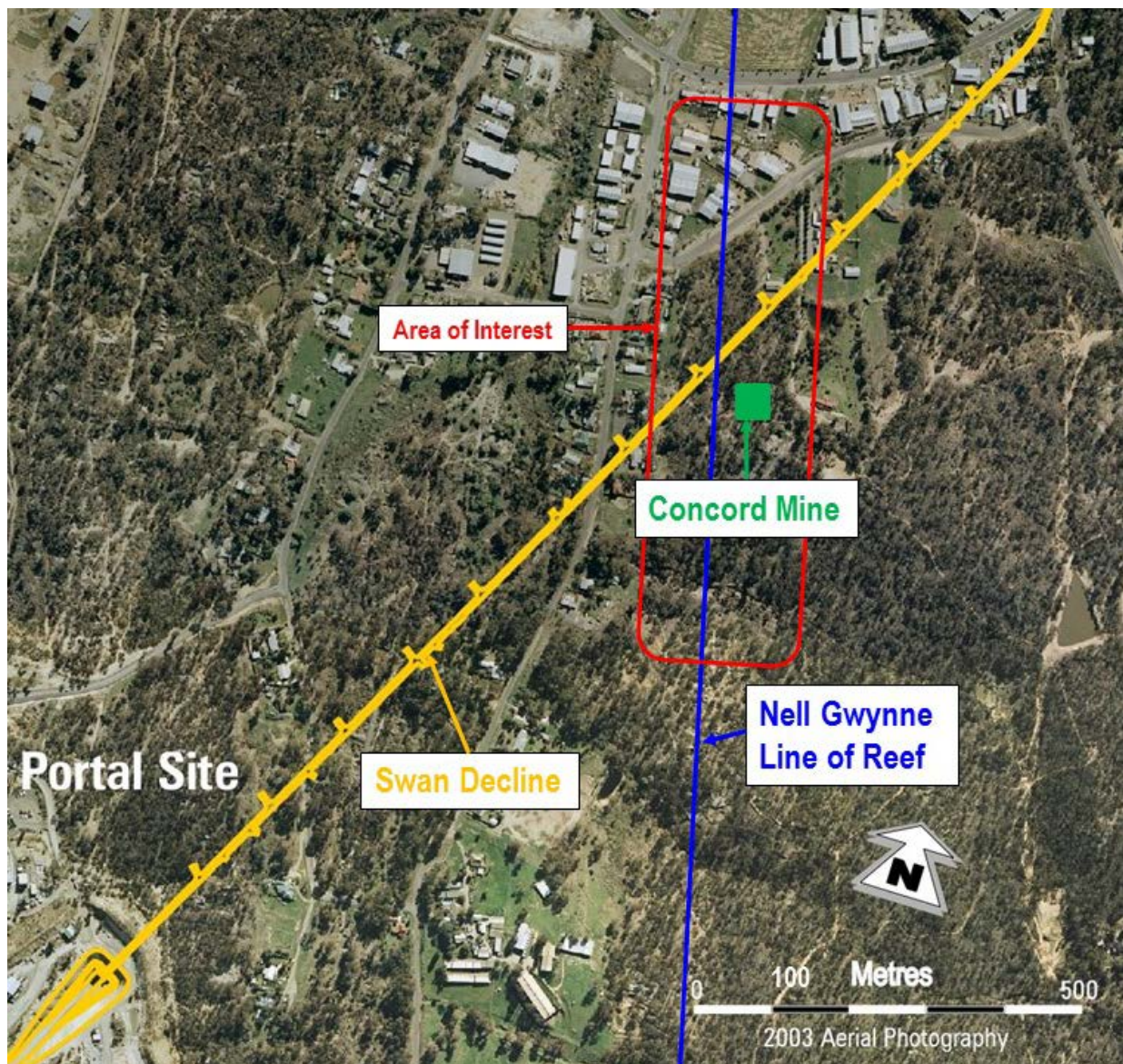


Figure 4: Nell Gwynne Target Exploration Area

North New Chum and Catherine Deeps

The North New Chum area (North Eaglehawk) is considered to have a high chance of success it is however deep and would require the development of a new mine opening.

Bendigo Mining raised eight million dollars of exploration funds in 2000 for the purpose of underground drilling to provide development targets and deep drilling from surface with the aim of increasing confidence in the ribbon repeat model elsewhere in the field. Subsequent deep diamond drilling beneath historic mining on the New Chum Anticline in Eaglehawk successfully intersected unmined ribbons to 1,200m below surface giving increased confidence in the repeatability and predictability of ribbons. This drilling identified the Catherine Deeps Target on the New Chum Line (Figure 5).

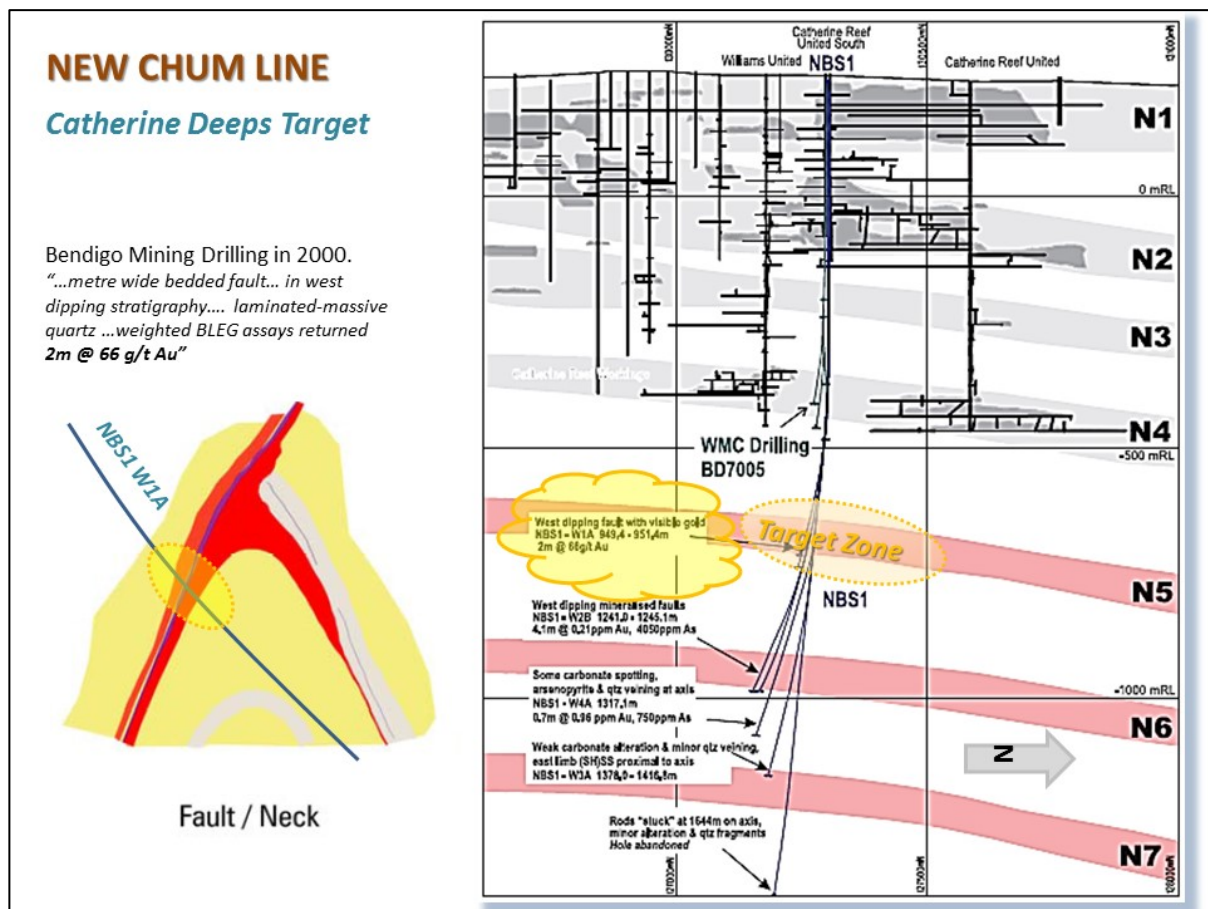


Figure 5: Catherine Deeps, North New Chum

During the period of modern mining and development of underground resources in Bendigo, surface exploration of the ELs was not extensive. In 2012 all the surface drill holes in the Bendigo database were interrogated to determine whether, in the weathered zone, there was some dispersion of gold, and/or arsenic from the reefs (it being established that the reefs have no halo in fresh rock). This work showed that the larger reefs in Bendigo exhibit a gold halo in the weathered zone, possibly of the order of 0.2-0.4 g/t, extending several metres from the reef. It has been determined that if well-supervised, shallow drilling techniques could be used to access the weathered bedrock in a series of drill traverses, then the halos in weathered rock could be a useful tool for discriminating productive reefs from low-grade reefs and for locating reefs under cover. The Myers Flat, Lighting Hill, Woodvale and Raywood locations, shown in Figure 6, are all areas which have the potential to be investigated using this method.

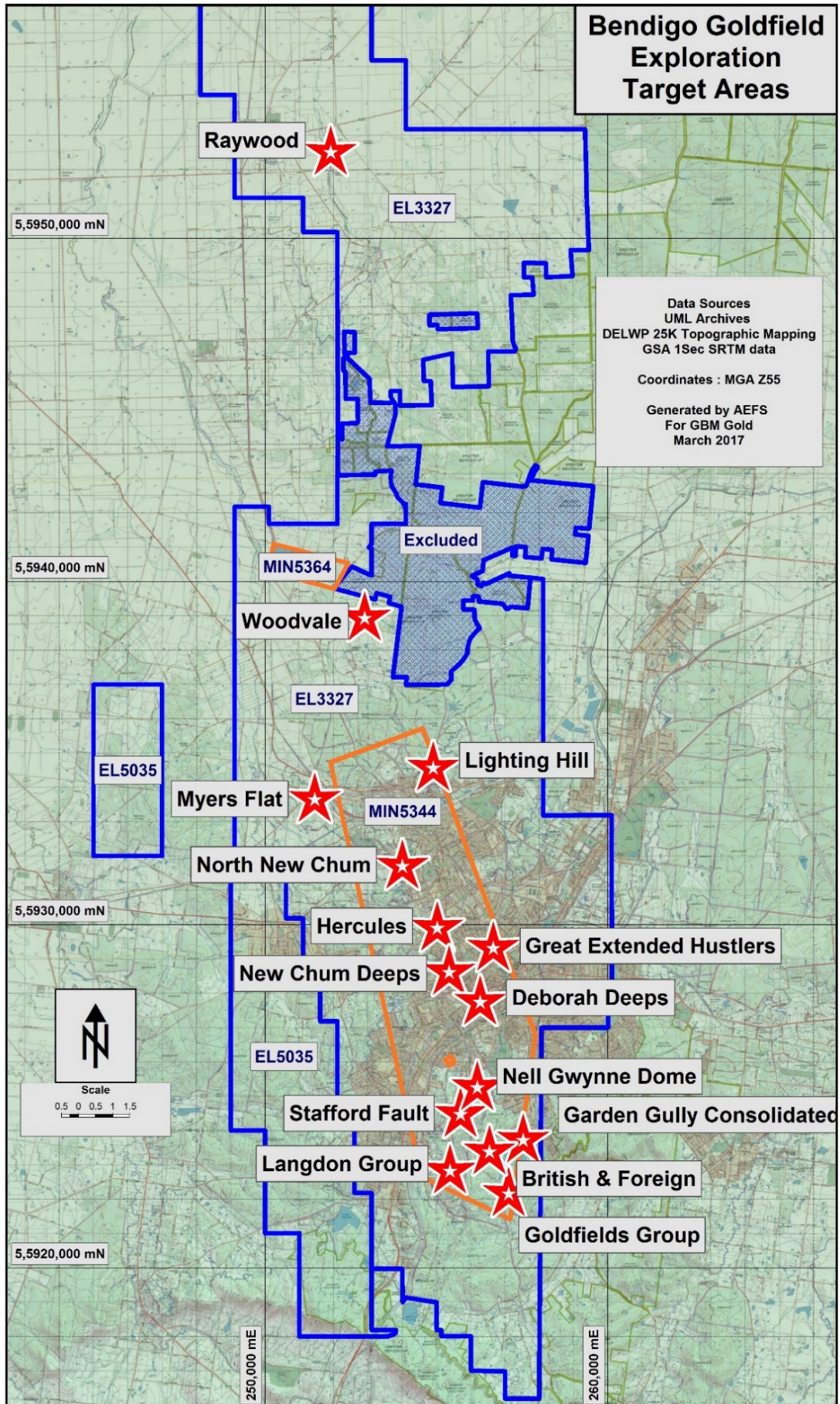


Figure 6: Location of Regional target areas.

Kangaroo Flat Sand Dam Project

The Kangaroo Flat Gold Processing Plant which operated between 2006 and 2011 had total gold recovery of 93% with 7% of the gold not captured in processing. A significant portion of the gold not captured is believed to be in the approximately 425,000 tonnes of material stored in the coarse sand dam. Sampling has revealed appreciable quantities of free gold and gold bearing sulphides in the coarse sand dam. Data from a drill program carried out by GBM in October 2015 and reported in the March 2016 Quarterly Report has been used to estimate the quantities of gold in the dam and the Resource as discussed below.

Gravity processing equipment to wash the sand and recover associated gold is currently being sourced. As well as recovering gold, the washing and concentrating process reduces deleterious materials such as heavy metals and slimes. It is planned to process the sand over a period of two to three years.

Kangaroo Flat Sand Dam Resource

The Kangaroo Flat Gold Processing Plant captured 75% of the gold processed by grinding and gravity processing. After initial gravity gold recovery, the resultant sand was separated by particle size with the fine material being further processed to remove contained gold and 425,000t of coarse material was deposited in the coarse sand dam without any further processing.

During operation of the plant, coarse sand material containing a percentage of gold bearing sulphides was deposited in the coarse sand dam. It seems likely that a fair portion of the gold not accounted for at Kangaroo Flat is in the coarse sand dam. To test this, GBM Gold with permission from Unity Mining, conducted a drill program of 23 air core holes over the coarse sand dam in late 2015, see Figure 7.

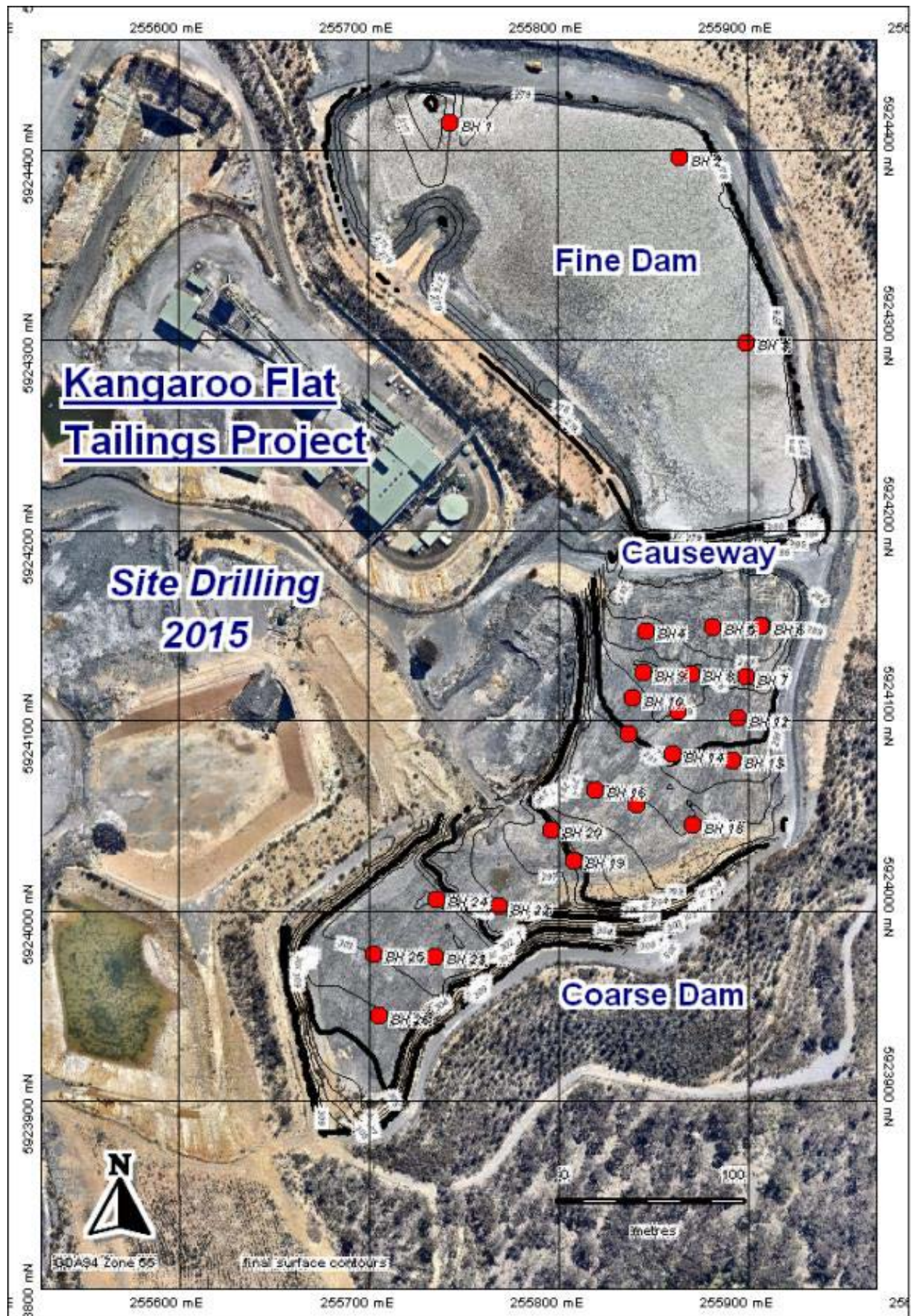


Figure 7 location of drillholes in the Coarse Sand Dam

Samples were taken at 1m intervals and analysed using a local laboratory. See the attached JORC Table 1 for details. This data was then used to build models of the gold distribution in the sand dam.

Results from initial in house modelling have been replicated by Australian Exploration Field Services. From the modelling work the sand dam is estimated to contain a mineral resource, see table below, of 430,000 tonnes of material containing 5,100 ounces of gold at a grade of 0.37 g/t above a lower cutoff of 0.15 g/t. 320,000 tonnes of material containing 3,900 ounces of gold have been classified as Indicated with a further 110,000 tonnes containing 1,200 ounces of gold have been classified as Inferred.

Volume	Tonnes	Au (g/t)	Au (Oz)	Classification
190,000	320,000	0.38	3,900	Indicated
63,000	110,000	0.35	1,200	Inferred
250,000	430,000	0.37	5,100	Total

Gold Resource in the Kangaroo Flat Coarse Sand Dam a cutoff grade of 0.15 g/t and a density of 1.7 kg/m³ has been used.

The distribution of Indicated and Inferred Resources is shown in Figure 8.

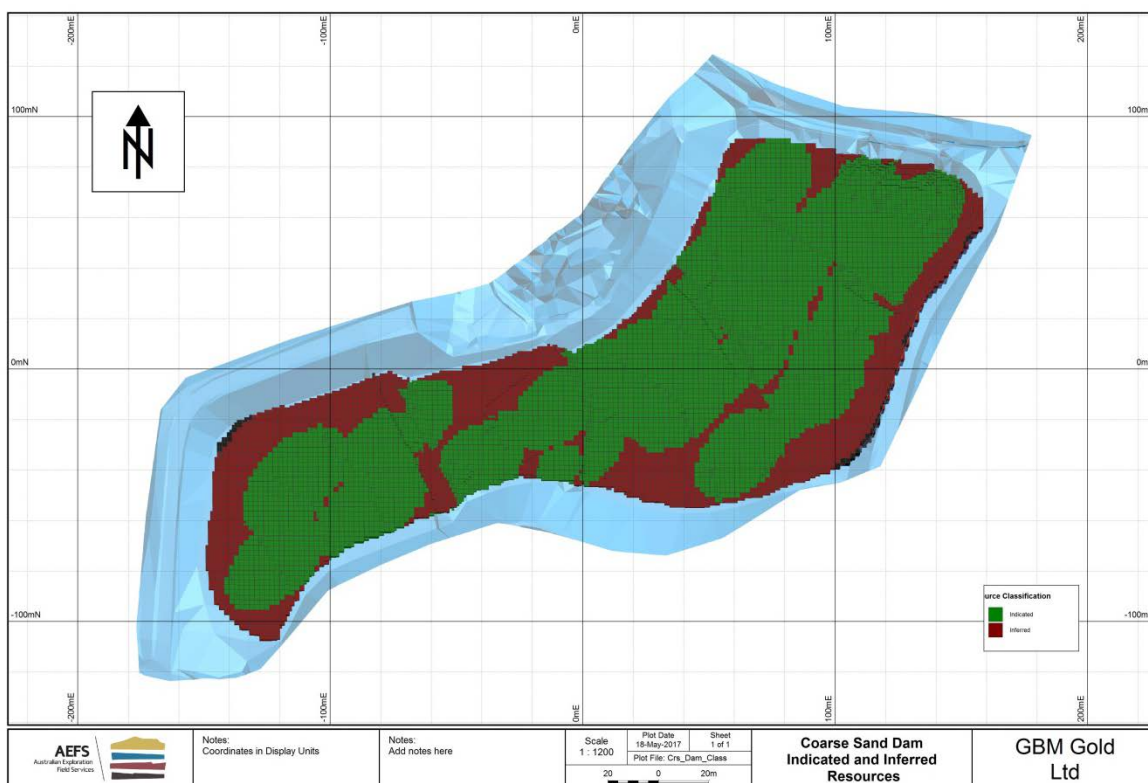


Figure 8: Indicated and Inferred Resources, Kangaroo Flat Coarse Dam, Plan View.

1.2 Goldsbrough Corridor Gold Project (MIN 5510, EL 5528 and ELA 006369)

The Goldsbrough Corridor Gold Project is located 10km northwest of Dunolly and 192 km from Melbourne via the Dunolly-Moliagul Road in Central Victoria (Figure 9). The project is at the

southern termination of the 24 km long Goldsbrough–Wehla Shear Zone which is part of the Wedderburn-Ballarat line.

The Harvest Home, Queens Birthday and Wehla tenements are located in the Goldsbrough Corridor. At Harvest Home, Moran's Luck, Harvest Home, Mother O'Gold and Appleton's Gold mines have produced in excess of 60,000 oz. (1,860kg) of gold between them (Whitehouse and Watts 2009). The Queens Birthday Mine at Goldsbrough and the mine at Stuart's Reef at Moliagul were significant producers of gold with over 100,000 ounces being mined from Queens Birthday.

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

Harvest Home is on Mining Licence MIN 5510 and is located approximately 5 kilometres north of Dunolly in Central Victoria. The tenement encompasses the historic Harvest Home Goldfield. A broad zone of gold mineralisation trends north-northwest through the licence area, approximately 3.5 km long and up to 0.4 km wide. Moran's Luck, Harvest Home, Mother O'Gold and Appleton's production centres are estimated to have produced in excess of 60,000 ounces (1,860kg) of gold between them (Whitehouse and Watts 2009). A number of discrete smaller prospects are also contained within the tenement. The historical mine workings reached depths of up to 122m.

The approvals processes for the development of a production pit that will encompass and extend the existing bulk sample pit should be complete by March 2017. Approximately 44,000 tonnes of ore at an estimated grade of 2.46g/t will be excavated in the next phase of the operation. Contiguous with this, a selective program of costeaning and in-fill drilling will build resource potential at Harvest Home and other prospects on the tenement. Mining will be conventional drill & blast utilising hydraulic excavator and articulated trucks. Ore will be hauled from the pit to a stockpile location on site for progressive transfer to an offsite processing facility.

Queens Birthday (EL 5528)

This area is adjacent to and immediately north of Harvest Home. It also part of the Goldsbrough – Wehla Shear Zone. 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. A field exploration survey has been carried out on the tenement to identify the most promising exploration targets. This is the most comprehensive survey that has been carried out on this area for many years. It is identifying a number of targets that have similarities to Harvest Home.

Wehla (ELA 006369)

An Exploration Licence application has been submitted covering the Wehla Goldfield. Wehla is a shear hosted gold mineralised system that lies at the northern end of the Goldsbrough – Wehla Shear Zone. The main gold workings consist of north trending auriferous reefs; Adelaide, Prince of Wales, Frenchman's, Petticoat, Black, Bismarck and Little Nell. Additional lines of auriferous reefs (Scotchman's and Hungarian) occur between 50 and 200 metres to the east. Recorded production from the Wehla Goldfield is approximately 100,000 ounces of gold.

The Prince of Wales Mine is the largest in the field and produced more than 60,000 ounces of gold from a series of drives following a large mineralised quartz channel (known as the 'Big Quartz'). Quartz spurs projected into strata on the footwall and the highest gold concentrations were at the intersection of the quartz spurs and 'indicator' shales. GBM is awaiting the grant of the tenement.

1.3 GBM Gold Exploration Projects

Fiddlers Creek (ELA 00615)

An Exploration Licence application has been submitted covering the Percydale Goldfield. There is an abundance of known workings associated with the Percydale Fault Zone. The planned exploration is directed towards known mineralization trends in the vicinity of Fiddlers Creek and Perseverance mines particularly near areas of historical workings.

2.0 Activities Planned for the June Quarter

Bendigo

- Implementing production from the coarse sand dam at Kangaroo Flat.
- Planning for exploration of Nell Gwynne exploration target in the Bendigo Goldfield.
- Woodvale Evaporation Ponds 6 and 7, planning for rehabilitation.

Harvest Home:

- Exploration work plan approvals.
- Mining work plan approvals.

3.0 Corporate

The Half Yearly Report to December 2016 was released in March.

4.0 Company Mineral Tenement Portfolio

The mineral tenement portfolio of the GBM Gold Group as at 31 March 2017 is:

<i>Name</i>	<i>Tenement</i>	<i>Tenure Type</i>	<i>Status</i>	<i>GBM Group Interest</i>
Bendigo Goldfield				
Greater Bendigo	MIN 5344	Mining Licence	Granted	100%
Whip & Jersey	MIN 4878	Mining Licence	Granted	100%
Woodvale	MIN 5364	Mining Licence	Granted	100%
Bendigo Urban	EL 3327	Exploration Licence	Granted	100%
West Bendigo	EL 5035	Exploration Licence	Granted	100%
Wilson Hill	EL 5527	Exploration Licence	Granted	100%
Goldsborough Corridor Project (north east of Dunolly, Victoria)				
Harvest Home	MIN 5510	Mining Licence	Granted	50%*
Queens Birthday	EL 5528	Exploration Licence	Granted	100%
McIntyre	MIN 5093	Mining Licence	Transfer	0%
Wehla	EL006369	Exploration Licence	Application	0%
Fiddlers Creek Project (south east of Avoca, Victoria)				
Fiddlers Creek	EL006155	Exploration Licence	Application	0%

*Joint Venture with Truelight Mining Pty Ltd

GBM's beneficial interests in any joint venture agreements did not change during the quarter.

END

About GBM Gold Ltd (ASX: GBM)

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

GBM has purchased the Bendigo Goldfield, Australia's second largest goldfield. The Company is targeting low cost projects to develop long term sustainable mining to fund the Company's growth. Recent work has centred on the Harvest Home deposit located north-east of Dunolly in the Golden Triangle area of Central Victoria. Harvest Home, in which GBM has a 50% equity interest, and the adjacent Queen's Birthday will continue to be developed together with tailings projects on the Bendigo Goldfield.

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

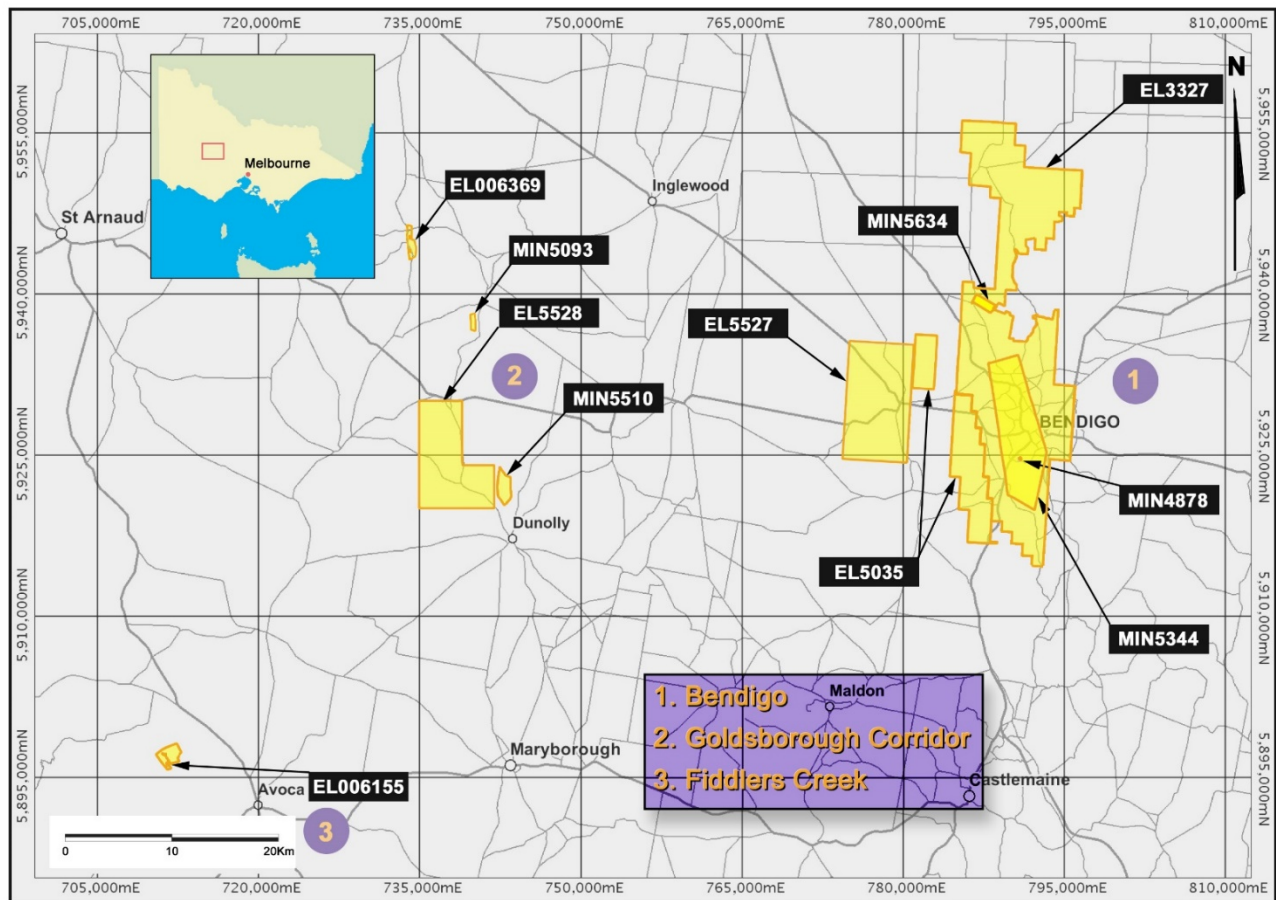


Figure 9: GBM Gold Projects

Competent Person Statement

The information in this report that relates to Mineralisation, Exploration Targets and Mineral Resources is based on information compiled by Keith Whitehouse who is a Member of The Australasian Institute of Mining and Metallurgy and a Chartered Professional (Geology). Mr. Whitehouse is a principle of Australian Exploration Field Services Ltd(AEFS) a consulting firm providing geological expertise to GBM Gold. Mr Whitehouse has sufficient experience 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 this report of the matters based on his information in the form and context in which it appears.

Appendix A

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>
Commentary	1m samples from air core drilling, on a 25m grid pattern. Samples were split and bagged. Analysis by Bleg and FA of BLEG tails, additional sampling by XRF of bagged samples.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).
Commentary	Edson 200 rig, setup for air core recovery.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>
Commentary	Samples taken from sample return tube (due to moisture content) samples split by cone and Quarter. Sample recovery was adequate with few instances of poor or no recovery; however the air core drilling system did not reproduce visible gold noted from panning of grab samples.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.</i>
Commentary	Samples were logged for geological characteristics as collected, a total of 250 m were drilled over 23 holes, all intervals were sampled. Sampling was considered to be adequate for estimation of a mineral resource.

Criteria	JORC Code explanation
Sub-sampling techniques and sample preparation	<p>If core, whether cut or sawn and whether quarter, half or all core taken.</p> <p>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</p> <p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p> <p>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</p> <p>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</p> <p>Whether sample sizes are appropriate to the grain size of the material being sampled.</p>
Commentary	Samples were quartered and mixed to ensure homogeneity.
Quality of assay data and laboratory tests	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p> <p>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p> <p>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</p>
Commentary	<p>Assay by 24 hour BLEG with regular FA of BLEG tails. The BLEG tails contained grade due to sulphide encapsulation.</p> <p>Select composite samples were analysed using ICP-OES (on aqua-regia digest) for a 5 element suite (As, Fe%, Mg%, Na & Pb). Some composite sample splits were analysed for EC (Total Dissolved Salts), Moisture Content (MC) and Particle Size Distribution (PSD). Selection of splits for mechanical testing was designed to achieve gross representation of physical properties of the in-situ sand material.</p>
Verification of sampling and assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes.</p> <p>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</p> <p>Discuss any adjustment to assay data.</p>
Commentary	QAQC samples collected and analysed. Composites collected over various intervals and assayed show repeatability of primary sampling. Correlation between primary BLEG assay and BLEG tails established and used to produce a calculated grade. An additional 25% of the calculated Grade was added to produce a final grade. The 25% of the grade represents that portion of the resource considered to be free gold not seen in the air core samples.
Location of data points	<p>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</p> <p>Specification of the grid system used.</p> <p>Quality and adequacy of topographic control.</p>
Commentary	All drillholes were located by an external survey contractor. Hole locations fit with onsite GPS records.
Data spacing and distribution	<p>Data spacing for reporting of Exploration Results.</p> <p>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</p> <p>Whether sample compositing has been applied.</p>

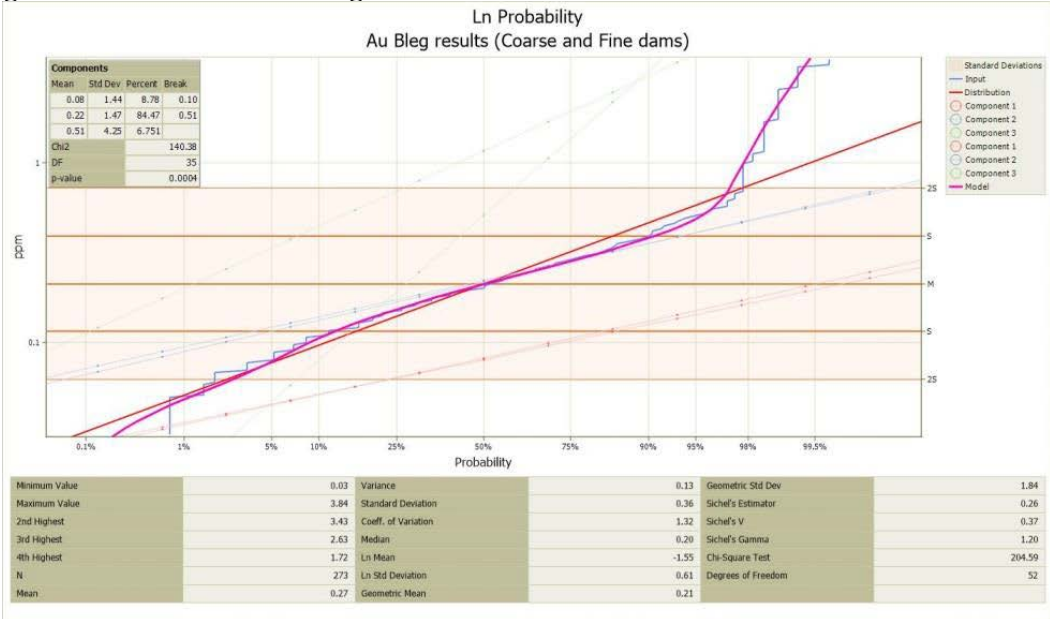
Criteria	JORC Code explanation
Commentary	Drill hole spacing was considered adequate for the work carried out. Due to time and budget constraints the drill spacing in the upper portion of the dam was increased from a 25m square pattern to a 35 x 70 m diamond pattern.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>
Commentary	Drillhole spacing as chosen to adequately test the sand dam.
Sample security	<i>The measures taken to ensure sample security.</i>
Commentary	Samples were collected and transported to the GBM offices on a daily basis where they were kept in a locked room until submission to the laboratory at the end of the drill program. Sample security was considered adequate.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>
Commentary	<p>Material composited from down-hole intervals where primary XRF survey suggested elevated grade, was concentrated using Unity Mining Ltd Gemini Table located at the Kangaroo Flat site. Collected concentrates were dispatched to On Site Laboratory, Bendigo for analysis by fire assay on a 25g charge and 4 element ICP-OES suite (aqua-regia digest).</p> <p>Fire assay results showed significant variation between samples and between repeats on discrete samples. This lack of repeatability prompted tabling of all remaining down-hole sample material and collection of a concentrate sample and a table overflow (fine gangue) sample that were subsequently sent to ALS (Perth) for re-grind (97% passing 30um on concentrate only) and parallel analyses by fire assay (50g charge) and BLEG (with fire assay on tail).</p> <p>Results from ALS testing suggest a significant increase in Bulk Leach Extractable Gold recovery is possible with regrind to 30µm. This confirms suspicion that significant gold remained interstitial in sulphides that reported to the Coarse Sand Dam from the flotation circuit cyclone underflow. The average concentrate grade with no re-grind and analysis by fire assay on 25g charge was 38.3g/t (on selected sample interval composites) whereas BLEG and fire assay (50g charge) on re-ground down-hole composite sample was 132g/t. Whilst not strictly a direct comparison between analysis techniques on discrete composite sample splits, the results indicate that re-grind of collected concentrates will improve leach recovery.</p>

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation
Mineral tenement and land tenure status	<p>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p> <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</p>
Commentary	Samples were collected from the coarse sand dam at the Kangaroo Flat gold processing facility on MIN 5344. At the time the drilling was carried out the tenement was owned by Unity Mining Ltd. It was subsequently transferred to GBM Gold

Criteria	JORC Code explanation																																																																																																																																										
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.																																																																																																																																										
Commentary	Other than mill sampling carried out by Bendigo Mining and Unity Mining there has been no other assessment of the coarse sand dam.																																																																																																																																										
Geology	Deposit type, geological setting and style of mineralisation.																																																																																																																																										
Commentary	The deposit consists of coarse tailing from the Kangaroo Flat Mill which operated between 2006 and 2011.																																																																																																																																										
Drill hole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length.</p> <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>																																																																																																																																										
Commentary	<p>The following holes were used to collect data; all holes were vertical and penetrated the full depth of the tail dam.</p> <table><tr><td>BH04</td><td>46942.120</td><td>121489.640</td><td>287.530</td><td>26.10.2015</td><td>11.00</td></tr><tr><td>BH05</td><td>46975.950</td><td>121481.660</td><td>286.490</td><td>26.10.2015</td><td>15.00</td></tr><tr><td>BH06</td><td>47001.150</td><td>121474.440</td><td>286.390</td><td>26.10.2015</td><td>3.00</td></tr><tr><td>BH06A</td><td>47000.480</td><td>121474.650</td><td>286.420</td><td>26.10.2015</td><td>10.00</td></tr><tr><td>BH07</td><td>46985.360</td><td>121451.170</td><td>287.750</td><td>26.10.2015</td><td>13.00</td></tr><tr><td>BH08</td><td>46958.500</td><td>121461.410</td><td>287.580</td><td>26.10.2015</td><td>12.00</td></tr><tr><td>BH09</td><td>46934.030</td><td>121469.180</td><td>288.180</td><td>26.10.2015</td><td>10.00</td></tr><tr><td>BH10</td><td>46924.750</td><td>121457.990</td><td>289.480</td><td>26.10.2015</td><td>11.00</td></tr><tr><td>BH11</td><td>46945.810</td><td>121444.670</td><td>288.250</td><td>26.10.2015</td><td>12.00</td></tr><tr><td>BH12</td><td>46975.000</td><td>121431.530</td><td>288.800</td><td>26.10.2015</td><td>10.00</td></tr><tr><td>BH13</td><td>46966.000</td><td>121411.350</td><td>290.150</td><td>26.10.2015</td><td>10.00</td></tr><tr><td>BH14</td><td>46936.250</td><td>121423.830</td><td>290.270</td><td>26.10.2015</td><td>12.00</td></tr><tr><td>BH15</td><td>46917.530</td><td>121440.660</td><td>290.910</td><td>26.10.2015</td><td>10.00</td></tr><tr><td>BH16</td><td>46892.280</td><td>121417.670</td><td>292.760</td><td>26.10.2015</td><td>12.00</td></tr><tr><td>BH17</td><td>46910.950</td><td>121404.040</td><td>292.510</td><td>26.10.2015</td><td>12.00</td></tr><tr><td>BH18</td><td>46935.910</td><td>121384.920</td><td>291.880</td><td>26.10.2015</td><td>10.00</td></tr><tr><td>BH19</td><td>46870.120</td><td>121385.510</td><td>295.110</td><td>26.10.2015</td><td>12.00</td></tr><tr><td>BH20</td><td>46863.720</td><td>121404.560</td><td>295.750</td><td>26.10.2015</td><td>12.00</td></tr><tr><td>BH22</td><td>46825.830</td><td>121373.630</td><td>298.950</td><td>26.10.2015</td><td>9.00</td></tr><tr><td>BH23</td><td>46785.480</td><td>121358.560</td><td>302.900</td><td>26.10.2015</td><td>11.00</td></tr><tr><td>BH24</td><td>46795.260</td><td>121387.010</td><td>301.220</td><td>26.10.2015</td><td>12.00</td></tr><tr><td>BH25</td><td>46755.010</td><td>121369.300</td><td>303.500</td><td>26.10.2015</td><td>11.00</td></tr><tr><td>BH26</td><td>46748.400</td><td>121337.440</td><td>304.290</td><td>26.10.2015</td><td>9.00</td></tr></table> <p>All intervals sampled were used as input to the model as it is intended to process all material from the sand dam. Average raw sample grades were 0.25 g/t with a minimum of 0.03 (detection) and a maximum of 2.87.</p>	BH04	46942.120	121489.640	287.530	26.10.2015	11.00	BH05	46975.950	121481.660	286.490	26.10.2015	15.00	BH06	47001.150	121474.440	286.390	26.10.2015	3.00	BH06A	47000.480	121474.650	286.420	26.10.2015	10.00	BH07	46985.360	121451.170	287.750	26.10.2015	13.00	BH08	46958.500	121461.410	287.580	26.10.2015	12.00	BH09	46934.030	121469.180	288.180	26.10.2015	10.00	BH10	46924.750	121457.990	289.480	26.10.2015	11.00	BH11	46945.810	121444.670	288.250	26.10.2015	12.00	BH12	46975.000	121431.530	288.800	26.10.2015	10.00	BH13	46966.000	121411.350	290.150	26.10.2015	10.00	BH14	46936.250	121423.830	290.270	26.10.2015	12.00	BH15	46917.530	121440.660	290.910	26.10.2015	10.00	BH16	46892.280	121417.670	292.760	26.10.2015	12.00	BH17	46910.950	121404.040	292.510	26.10.2015	12.00	BH18	46935.910	121384.920	291.880	26.10.2015	10.00	BH19	46870.120	121385.510	295.110	26.10.2015	12.00	BH20	46863.720	121404.560	295.750	26.10.2015	12.00	BH22	46825.830	121373.630	298.950	26.10.2015	9.00	BH23	46785.480	121358.560	302.900	26.10.2015	11.00	BH24	46795.260	121387.010	301.220	26.10.2015	12.00	BH25	46755.010	121369.300	303.500	26.10.2015	11.00	BH26	46748.400	121337.440	304.290	26.10.2015	9.00
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Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>																																																																																																																																										

Criteria	JORC Code explanation																																																														
Commentary	No bottom or top cut was applied to sample values.																																																														
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>																																																														
Commentary	The sampling was conducted over a tailing dam; sampling at each location covered the full depth of material in the dam.																																																														
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.																																																														
Commentary	See body of the report.																																																														
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.																																																														
Commentary	<p>On average each hole was 10m deep, with 1m samples grades ranged from 0.03, detection, to 2.87 g/t Statistical analysis of the data shown as expected a mixture of grade distributions, see diagram.</p> <div><p>Ln Probability Au Bleg results (Coarse and Fine dams)</p><table><thead><tr><th colspan="4">Components</th></tr><tr><th>Mean</th><th>Std Dev</th><th>Percent</th><th>Break</th></tr></thead><tbody><tr><td>0.08</td><td>1.44</td><td>8.78</td><td>0.10</td></tr><tr><td>0.22</td><td>1.47</td><td>84.47</td><td>0.51</td></tr><tr><td>0.51</td><td>4.25</td><td>6.751</td><td></td></tr></tbody></table><p>Chi2: 140.38 DF: 35 p-value: 0.0004</p><table><tbody><tr><td>Minimum Value</td><td>0.03</td><td>Variance</td><td>0.13</td><td>Geometric Std Dev</td><td>1.84</td></tr><tr><td>Maximum Value</td><td>3.84</td><td>Standard Deviation</td><td>0.36</td><td>Sichel's Estimator</td><td>0.26</td></tr><tr><td>2nd Highest</td><td>3.43</td><td>Coeff. of Variation</td><td>1.32</td><td>Sichel's V</td><td>0.37</td></tr><tr><td>3rd Highest</td><td>2.63</td><td>Median</td><td>0.20</td><td>Sichel's Gamma</td><td>1.20</td></tr><tr><td>4th Highest</td><td>1.72</td><td>Ln Mean</td><td>-1.55</td><td>Chi-Square Test</td><td>204.59</td></tr><tr><td>N</td><td>273</td><td>Ln Std Deviation</td><td>0.61</td><td>Degrees of Freedom</td><td>52</td></tr><tr><td>Mean</td><td>0.27</td><td>Geometric Mean</td><td>0.21</td><td></td><td></td></tr></tbody></table></div>	Components				Mean	Std Dev	Percent	Break	0.08	1.44	8.78	0.10	0.22	1.47	84.47	0.51	0.51	4.25	6.751		Minimum Value	0.03	Variance	0.13	Geometric Std Dev	1.84	Maximum Value	3.84	Standard Deviation	0.36	Sichel's Estimator	0.26	2nd Highest	3.43	Coeff. of Variation	1.32	Sichel's V	0.37	3rd Highest	2.63	Median	0.20	Sichel's Gamma	1.20	4th Highest	1.72	Ln Mean	-1.55	Chi-Square Test	204.59	N	273	Ln Std Deviation	0.61	Degrees of Freedom	52	Mean	0.27	Geometric Mean	0.21		
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Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.																																																														
Commentary	There is no other data considered relevant to the resource in the Kangaroo Flat Coarse Sand Dam.																																																														
Further work	<p>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not</p>																																																														

Criteria	JORC Code explanation
	<i>commercially sensitive.</i>
Commentary	It is intended to install a plan to clean the sand in the dam and to recover contained gold.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used.
Commentary	Data was received from the laboratory in computerised format; this was verged with base data collected by GBM Gold staff. Data verification of hole locations etc was carried out by plotting onto background maps and plans. The data as collected and stored in the companies geological databases is considered adequate for resource estimation.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.
Commentary	The competent person was on site during drilling and at all stages of the work program. Numerous visits were made to the processing laboratory as well.
Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology.
Commentary	The deposit being modelled is a tailing dam. Material was discharged from various locations around the perimeter of the dam and therefore formed a series of flat lying lenses. The modelling methods used flat lying search ellipses to reflect the nature of the deposit in the model. The grade of material observed from the drill holes was however lower than that recorded from grab sampling and subsequent test pits, panning drill samples rarely produced a gold tail, whereas this has been noted in test pits and grab samples, observed grades were factored up by 25% to reflect this discrepancy.
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.
Commentary	The resource is at surface, with approximate dimension of 243,000 m3.
Estimation and modelling techniques	The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).

Criteria	JORC Code explanation
	<p>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</p> <p>Any assumptions behind modelling of selective mining units.</p> <p>Any assumptions about correlation between variables.</p> <p>Description of how the geological interpretation was used to control the resource estimates.</p> <p>Discussion of basis for using or not using grade cutting or capping.</p> <p>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</p>
Commentary	Modelling used a multi run inverse distance algorithm (ID2) with search ellipses of 30 and 60 m aligned along the dam with a small (5 degree) plunge to reflect the slope of the dam. The width of the ellipses were 15 and 30m and depths of 3 and 6m.
Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>
Commentary	Tonnage was estimated by using the dam volume, which is accurately and an assumed density of 1.7. The calculated tonnage of 430,000 tonnes corresponds well with historic records which record 425,000 tonnes of material in the dam.
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>
Commentary	A cut-off grade of 0.15 g/t was used. Below this grade there is only limited increase in number of ounces.
Mining factors or assumptions	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>
Commentary	Material will be recovered from the dam by loader and truck to a processing plant located adjacent to the dam.
Metallurgical factors or assumptions	<i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i>
Commentary	Material recovered from the dam has been subject to extensive in-house testing by concentration and grind test analysis of the concentrate, additionally composited samples have been sent to ALS for grind testing. It is expected that recovery will be 80 to 90 %.
Environmental factors or assumptions	<i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a Greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i>

Criteria	JORC Code explanation
Commentary	The coarse sand dam is located on a licenced mine site with an approved work plan that covers the reprocessing and sale of sand from the coarse sand dam.
Bulk density	<i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i>
Commentary	A bulk density of 1.7 has been assumed. Comparisons of the modelled volumes and tonnages with historically recorded volumes and tonnages confirm that 1.7 is a suitable figure.
Classification	<i>The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit.</i>
Commentary	Classification of resources into Indicated and Inferred categories was based on distance to drillholes. This is considered appropriate in this case. Alternate ways of classifying the material using the un-factored grade to represent Indicated and the additional amount of gold which results from the 0.25% grade factor applied gave very similar results.
Audits or reviews	<i>The results of any audits or reviews of Mineral Resource estimates.</i>
Commentary	The resource was originally calculated in-house by GBM Gold. It was then recalculated from first principles by AEFS. Both models are in close agreement on spatial grade distribution and amounts of contained gold.
Discussion of relative accuracy/ confidence	<i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>

Criteria	JORC Code explanation
Commentary	While statistical techniques were used to analyse the data used for grade estimation, it was not considered appropriate to use geostatistical modelling techniques to model that resource. Since there was historic information on volumes and tonnages deposited in the dam these provided a guide to the volumes and tonnages to expect when modelling. The major risk is associated with the use of a grade factor applied to the input grade to account for free gold known to exist but not observed in drill samples. This factor is 25%, if the factor is incorrect and there is in fact no upside to the contained gold and the gold grades will drop by a maximum of 25%. The drilling undertaken is believed to provide a good sample density of the estimate of the resource and the grades recorded from the drillhole samples are considered to be at the lower level of likely grades.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation
Mineral Resource estimate for conversion to Ore Reserves	<i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i>
Commentary	No Reserves have been estimated.
Site visits	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.</i>
Commentary	No Reserves have been estimated.
Study status	<i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i>
Commentary	No Reserves have been estimated.
Cut-off parameters	<i>The basis of the cut-off grade(s) or quality parameters applied.</i>
Commentary	No Reserves have been estimated.
Mining factors or assumptions	<i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling. The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). The mining dilution factors used. The mining recovery factors used. Any minimum mining widths used. The manner in which Inferred Mineral Resources are utilised in mining studies and the</i>

Criteria	JORC Code explanation
	<i>sensitivity of the outcome to their inclusion. The infrastructure requirements of the selected mining methods.</i>
Commentary	No Reserves have been estimated.
Metallurgical factors or assumptions	<i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. Whether the metallurgical process is well-tested technology or novel in nature. The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. Any assumptions or allowances made for deleterious elements. The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i>
Commentary	No Reserves have been estimated.
Environmental	<i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i>
Commentary	No Reserves have been estimated.
Infrastructure	<i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</i>
Commentary	No Reserves have been estimated.
Costs	<i>The derivation of, or assumptions made, regarding projected capital costs in the study. The methodology used to estimate operating costs. Allowances made for the content of deleterious elements. The source of exchange rates used in the study. Derivation of transportation charges. The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. The allowances made for royalties payable, both Government and private.</i>
Commentary	No Reserves have been estimated.
Revenue factors	<i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i>
Commentary	No Reserves have been estimated.
Market assessment	<i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. A customer and competitor analysis along with the identification of likely market windows for the product. Price and volume forecasts and the basis for these forecasts. For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i>

Criteria	JORC Code explanation
Commentary	No Reserves have been estimated.
Economic	<i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i>
	No Reserves have been estimated.
Social	<i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i>
Commentary	No Reserves have been estimated.
Other	To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: Any identified material naturally occurring risks. The status of material legal agreements and marketing arrangements. The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.
Commentary	No Reserves have been estimated.
Classification	The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).
Commentary	No Reserves have been estimated.
Audits or reviews	The results of any audits or reviews of Ore Reserve estimates.
Commentary	No Reserves have been estimated.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.
Commentary	No Reserves have been estimated.

Section 5 Estimation and Reporting of Diamonds and Other Gemstones

Section 5 of Table 1 is not relevant to the resource reported.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

GBM Gold Ltd

ABN

59119956624

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	85	242
1.2 Payments for		
(a) exploration & evaluation	(338)	(995)
(b) development	-	-
(c) production	-	-
(d) staff costs	(63)	(187)
(e) administration and corporate costs	(109)	(273)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	37	138
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	123
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(388)	(952)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(13)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	(321)*	89
	(b) tenements (see item 10)	-	300
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(321)	376

*Refund of deposit on 600k tpa process plant.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	800
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(60)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(30)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	710

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	869	26
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(388)	(952)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(321)	376
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	710
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	160	160

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	160	869
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	160	869

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	57
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	Add notes as necessary for an understanding of the position		
8.1	Loan facilities	4,808	4,808
8.2	Credit standby arrangements		
8.3	Other (please specify)		
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
Loan facilities 3.1: \$4,808k owing to Unity Mining Limited at zero interest and secured, as per the Bendigo Asset Sale Agreement as announced to the ASX on the 17 th September 2015.			

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	200
9.2	Development	-
9.3	Production	-
9.4	Staff costs	60
9.5	Administration and corporate costs	90
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	350*


* Estimated cash outflows to be funded by a working capital injection during the June quarter.

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


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(Director)

Date: 28 April 2017

Print name: John Harrison

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.