



APPENDIX 4D: RESULTS FOR ANNOUNCEMENT TO THE MARKET

Current Reporting Period:	Half-year ended 31 December 2017
Previous Reporting Period:	Half-year ended 31 December 2016

Results for announcement to the market		A\$ 2017	A\$ 2016
Revenue from ordinary activities	No change	-	-
Profit/(Loss) after tax attributed to members	Change is + 43.0%	(455,270)	(799,057)
Profit/(Loss) for the half-year attributed to members	Change is + 43.0%	(455,270)	(799,057)

The loss of GBM Gold Limited ("GBM") and its subsidiaries (the "consolidated entity") for the half-year ended 31 December 2017, after income tax, amounted to \$455,270 (2016: loss \$799,057). Other income of \$396,466 (2016: \$333,768) was received during the half-year being primarily receipt of interest and pumping fees of \$235,221 (2016: \$209,106).

GBM incurred other operating expenses of \$851,736 (2016: \$1,132,825) during the half-year period due primarily to the Kangaroo Flat Mine care & maintenance expenses of \$471,000 (2016: \$464,000), and administration expenses of \$376,390 (2016: \$596,540).

Change in ownership of controlled entity

Nil

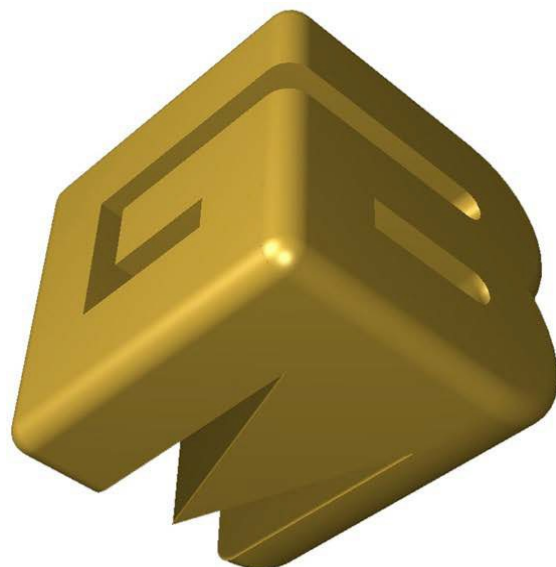
Dividends

It is not proposed to pay dividends.

Other information	31 December 2017	31 December 2016
Net Tangible Assets per ordinary share	0.001	0.002

The financial information provided in the Appendix 4D is based on the half-year condensed financial report (attached), which has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS).

The half-year financial report has been independently reviewed and is not subject to a qualified independent review conclusion.



GBM Gold Ltd

(ABN 59 119 956 624)

INTERIM REPORT
for the half-year ended
31 December 2017

Directors' Report

The directors present their report together with the consolidated financial report of GBM Gold Limited ("GBM" or "the Company") and of the GBM Group being the Company, its subsidiaries and the Group's interest in associates and jointly controlled entities ("GBM Group") for the half year ended 31 December 2017 and the Auditor's review report thereon.

Directors

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

- **Mr Eric Ng**, Non-Executive Chairman.
- **Mr John Harrison**, Executive Director & CEO.
- **Mr Paul Chan**, Non-Executive Director.
- **Mr Andy Lai**, Independent Non-Executive Director.
- **Ms Linda Lau**, Independent Non-Executive Director.
- **Mr Andrew Chan**, Independent Non-Executive Director.
- **Ms Jianping Wang**, Non-Executive Director.

Company Secretary

The Company Secretary is Mr Andrew Chan.

Overview of operating performance

The objective of the Company's acquiring the Bendigo Goldfield is the establishment and operation of a profitable and sustainable gold mining operation. The program to recover the contained gold in the Coarse Sand Dam at the Kangaroo Flat mine site is progressing with the construction of the processing equipment on schedule and due on site in April. GBM has plans in place to recommence underground mining at Kangaroo Flat by accessing the existing Swan Decline and utilising existing underground development along with some additional underground development to explore the potential lines of reef traversed by the Swan Decline at locations above the standing water level in the decline. The first target is on the Nell Gwynne Line of Reef adjacent to the decline.

GBM Gold's open pit projects, Harvest Home, Queens Birthday and Wehla are located along the Goldsbrough–Wehla Shear Zone. Harvest Home (Mining Licence MIN5510) is located approximately 5 kilometres north of Dunolly in Central Victoria. The tenement encompasses the historic Harvest Home Goldfield. Plans to expand the open pit mine are in the final stages of the approvals process and mining should commence before June. GBM Gold has four mining licences, five exploration licences and a 50% Joint Venture interest in a Mining licence as shown in the table below and Figure 1

Project	Tenement	Percentage owned
BENDIGO GOLDFIELD		
Greater Bendigo	MIN 5344	100%
Whip & Jersey	MIN 4878	100%
Woodvale	MIN 5364	100%
Bendigo Urban	EL 6595	0%
Raywood	EL 6596	0%
Wilson Hill	EL 5527	100%
GOLDSBOROUGH		
Harvest Home JV	MIN 5510	50% Interest through JV between Truelight Mining Pty Ltd and GBM
Queen's Birthday	EL 5528	100%
FIDDLERS CREEK		
Fiddlers Creek Mine	EL 6155	0% Pending
WEHLA		
MCINTYRE	EL 6369	100%
	MIN 5093	0% Pending

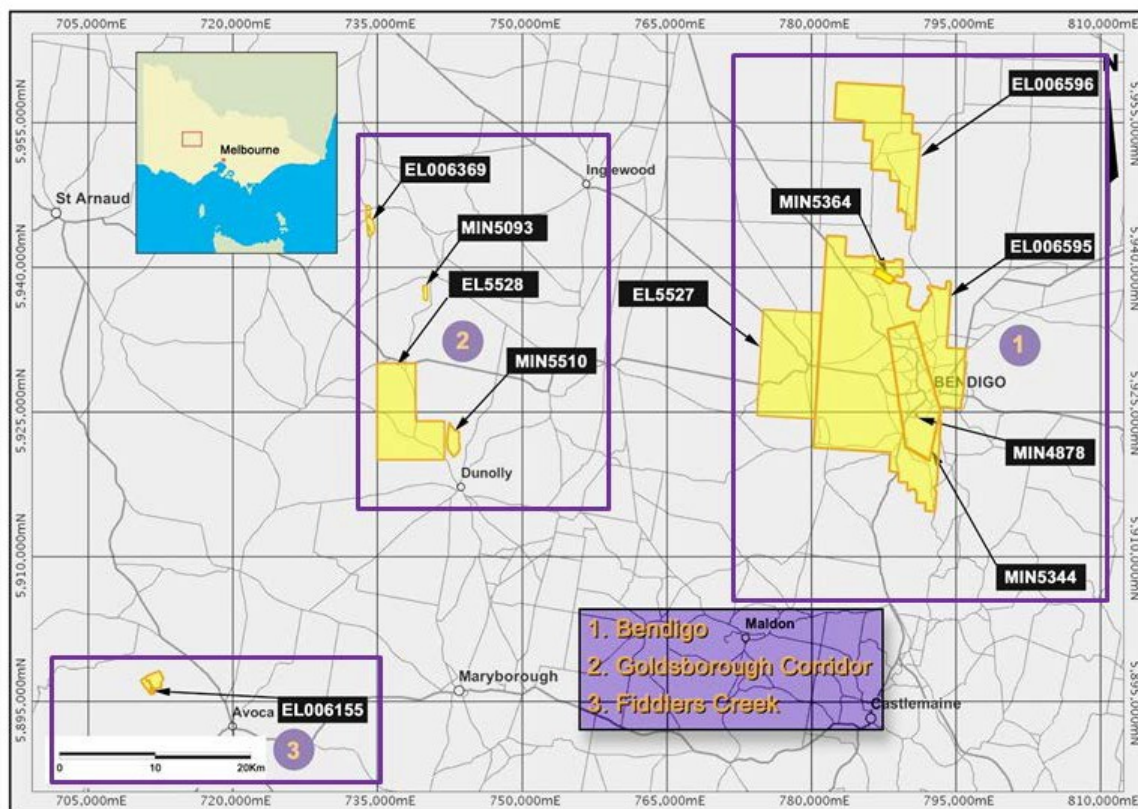


Figure 1: GBM Gold Projects

Bendigo Exploration - Nell Gwynne Dome

The focus of underground exploration is the Nell Gwynne Dome in the vicinity of the historic Concord Mine. GBM has identified the potential for mineralisation close to the path of the Swan Decline on the Nell Gwynne Anticline (Figure 2). This portion of the decline is above water and can be accessed once ventilation, power and other services are re-established.

Decline development in 1999 passed cut the Nell Gwynne Line of Reef at a depth of approximately 180m below ground level (75mAHD). The presence of quartz spurs was recorded when the decline was driven through the area. The decline has a series of numbered cut outs (stockpiles) to allow drilling rigs to operate from those locations. Twenty-five drill holes were drilled by Unity Mining to investigate the area from stockpile six (19 holes) and stockpile nine (6 holes). The holes from stockpile six led to the discovery of the Nankervis reef (the GBM mineral inventory for the Bendigo project is discussed elsewhere in this report) located approximately 450m below and to the south east of the decline. Drilling from stockpile nine located a number of zones of mineralisation adjacent to, and less than 100m below, the decline. Significantly, there was no drilling at or above the level of the decline. Importantly the drilling also defined the presence of strong west dipping faults within east dipping beds, which are known to control mineralisation elsewhere in the Bendigo goldfield.

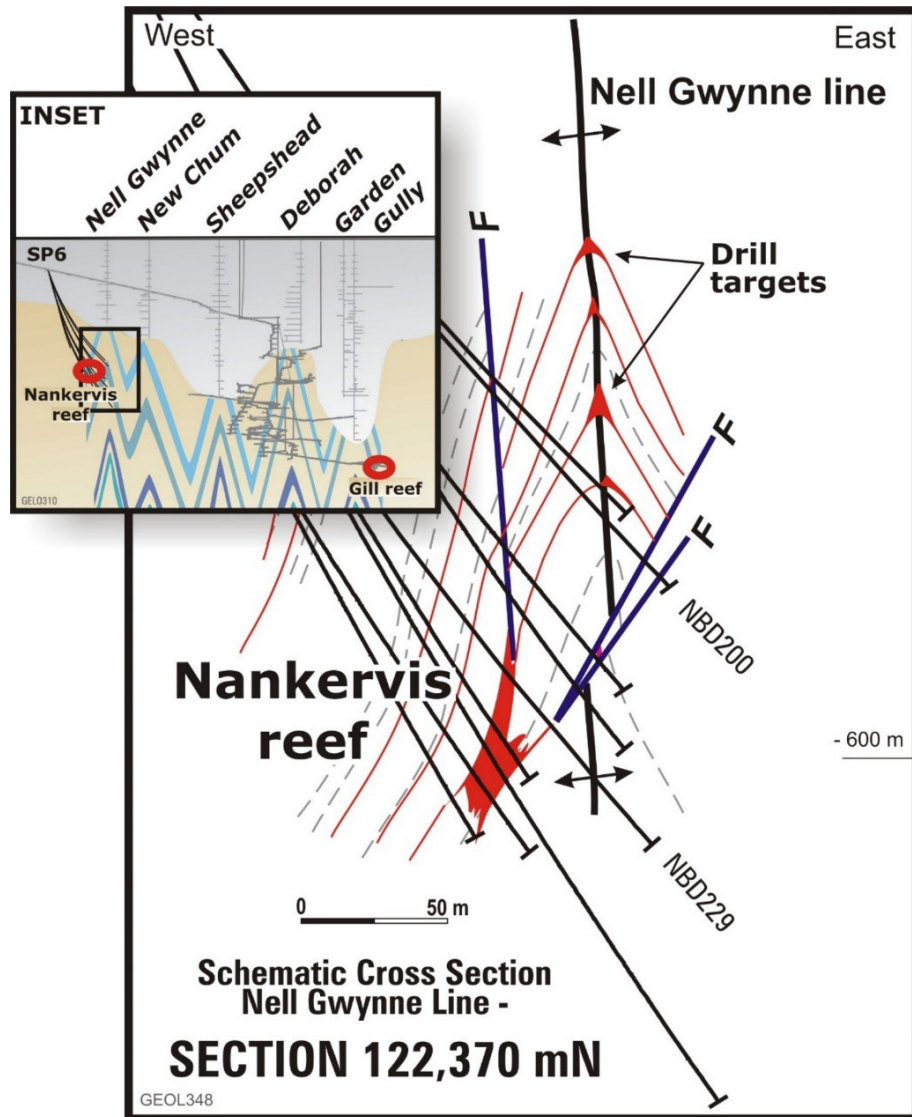


Figure 2: Nell Gwynne Line – Nankervis Reef

Research suggests that a structure revealed in the historic Concord Mine may correspond with the Central Nell Gwynne Reef worked profitably 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 sort of structural complexity tends to favour localised enrichment of mineralised ribbons. The local structure was confirmed by detailed decline geological mapping conducted in 1999.

The Nell Gwynne Dome area is known to exhibit a degree of geological complexity that elsewhere on the Bendigo Goldfield has been conducive to gold mineralisation.

The exploration of the Nell Gwynne Dome is anticipated to take approximately two years to complete and will involve the following:

- Removal of redundant infrastructure
- Portal remediation work
- Decline remediation work

Operating and Financial Review

- Dewatering of Concord shaft to level of decline (if necessary)
- Ventilation installation inside portal
- Underground disposal of mullock (as far as is practicable)
- Underground drilling
- Underground development

The Nell Gwynne Dome Exploration Program aims to examine the potential for payable underground ore-bodies in structurally favourable locations within the vicinity of the existing decline. The focus of initial underground exploration will be in the vicinity of the historic Concord Mine (Figure 2).

The first stage of the project will entail re-equipping and re-entering the Swan Decline to a position approximately 1,100m from the decline portal. Reconnaissance diamond drilling will be undertaken from drill platforms from within the decline (between 1,000m and 1,100m from the portal – refer Figure 2) with a view to demonstrating mineralisation potential.

New levels may be cut at approximately 1,050m from the portal and developed for distances of approximately 300m north and south along strike of the Nell Gwynne Anticline. This development will be in the western limb of the anticline and will provide opportunity for establishment of additional diamond drill platforms for purposes of defining a mineral resource. There is potential for the proposed development to uncover economically viable quantities of mineralised material.

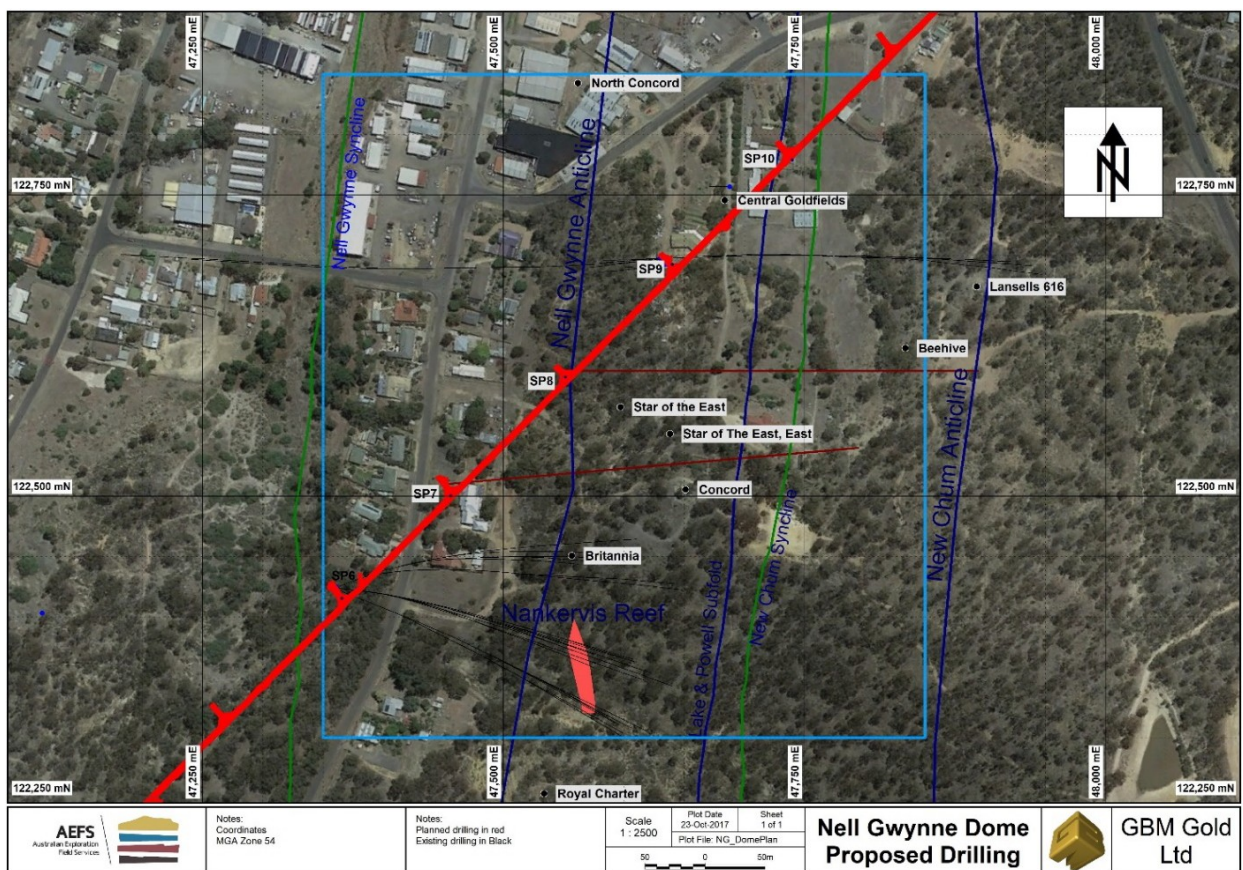


Figure 3: Nell Gwynne Line Exploration Area

Bendigo Mineralisation Inventory

GBM has undertaken an assessment of the exploration potential of the Bendigo goldfield and of other sources of mineralisation such as tailings dams and dumps in order to build an inventory of the mineralisation on its Mining Licences MIN 5344 and the enclosed MIN 4878. GBM expects to be able to refine and extend the mineral inventory for the Bendigo Goldfield as it further researches historical information and explores targets.

The mineral inventory has been defined in compliance with definitions of exploration target and mineral resource as set out in the JORC 2012 code by Keith Whitehouse of Australian Exploration Field Services. Mr Whitehouse is a Member of the AusIMM and a Chartered Professional in Geology. He has considerable experience in the estimation of mineral resources and has worked closely with GBM Gold on its Bendigo project.

The Mineral Inventory is summarised in the tables below. The Exploration Targets are sub divided into two categories, those that are conceptual in nature and those that are defined by physical results such as drilling and or historic mining. The JORC 2012 complaint report which provides a detailed discussion of the mineral inventory is available on the GBM Gold website, www.gbmgold.com.au.

Bendigo Conceptual Exploration Targets

Conceptual Exploration Targets			
Location	Tonnage Range (Mt)	Grade (g/t)	Contained Gold (ounces)
Goldfield Core*	8 – 13	8 – 14	2,000,000– 5,800,000
Western Reefs	0.7 – 1.1	6 – 10	130,000 – 350,000
Total**	8.5 – 14	6 – 14	2,100,000 – 6,250,000

*Goldfield Core - New Chum, Sheepshead, Deborah, Garden Gully and Hustlers lines of reef.

Bendigo Defined Exploration Targets

Defined Exploration Targets			
Location	Tonnage Range (t)	Grade Range (g/t)	Contained Gold Range (ounces)
Dean	5,000 – 10,000	4.6 – 8.0	700 – 2,700
Kingsley	50,000 – 100,000	4.0 – 5.0	6,500 – 16,000
Grainger	75,000 – 120,000	3.0 – 6.0	7,200 – 23,000
Total**	130,000 – 230,000	3.0 – 8.0	12,000 – 60,000

**It should be noted that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

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Bendigo Mineral Resources July 2017

Bendigo Underground				
Location	Tonnes (t)	Grade Au (g/t)	Ounces (oz)	JORC Category
Big Blue	78,000	5.0	10,000	Inferred
Westcott	54,000	5.0	9,000	Inferred
McDermott	14,000	5.0	2,000	Inferred
Upper McDermott	20,000	5.0	3,200	Inferred
Dumble	7,000	8.5	1,900	Inferred
Dunlop	55,000	2.8	5,000	Inferred
Grenfell	54,000	9.0	15,500	Inferred
Gordon	17,000	2.5	1,400	Inferred
Total	300,000	5.0	50,000	Inferred
Bendigo Surface				
Coarse Sand Dam	190,000	0.38	3,900	Indicated
	110,000	0.35	1,200	Inferred
	<i>430,000</i>	<i>0.37</i>	<i>5,100</i>	<i>Total</i>
St Mungo Fault	210,000	1.00	7,000	Inferred
Bendigo Tails	1,500,000	0.80	50,000	Inferred
Total	2,140,000	0.90	62,100	Indicated and Inferred

MIN5344: Kangaroo Flat Sand Dam Project

The Kangaroo Flat Gold Processing Plant operated with crushing, grinding, flotation and leaching circuits. Losses in the flotation stage of the process led to free gold and gold bearing sulphides being deposited in the coarse sand dam. The sand dam is estimated to hold 430,000 tonnes of material containing 5,100 ounces of gold at a grade of 0.37 g/t as reported in the March 2017 Quarterly Report.

GBM has an agreement with Gold Miners Australia (GMA) to jointly mine and process the sand in the Kangaroo Flat Coarse Sand Dam to recover the contained gold and sulphides as reported in the September 2017 Quarterly Report. The agreement provides for GMA to purchase a wash plant and

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2x30tph gold concentrators and provide mobile plant to excavate and transport the sand to the processing equipment. GBM will provide infrastructure and will operate the project, expected to take two to three years to complete commencing in Q2, 2018. Profit will be shared 50/50 between the parties.



Figure 3: Kangaroo Flat Coarse Sand Dam (2009)

Goldsborough Corridor Gold Project (MIN 5510 and EL 5528)

The Goldsborough Corridor Gold Project is located 10km northwest of Dunolly and 192 km from Melbourne (Figure 1). The project is at the southern termination of the 24km long Goldsborough–Wehla Shear Zone which is part of the Wedderburn-Ballarat line.

The Harvest Home, Queens Birthday and Wehla tenements are located in the Goldsborough 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 Goldsborough (100,000 ounces) and the Prince of Wales mine at Wehla (60,000 ounces) were significant producers of gold.

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. A production pit that will encompass and extend the existing bulk sample pit (Figure 5) has been submitted for approval. This application is in the final stages of the approvals process.



Figure 5: Harvest Home Project

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.

Queens Birthday (EL 5528)

This area is adjacent to and immediately north of Harvest Home. It also part of the Goldsborough – 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 (EL 6369)

An Exploration Licence application has been granted covering the Wehla Goldfield. Wehla is a shear hosted gold mineralised system that lies at the northern end of the Goldsborough – 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 to the east. Recorded production from the Wehla Goldfield is approximately 100,000 ounces of gold. Exploration targets have been identified.



Figure 6: Wehla Syncline

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. GBM expects the assessment of this application by Earth Resources Regulation to be completed in the near future.

Woodvale Evaporation Pond Complex

Bendigo relied on pumping to suppress groundwater levels in mine workings. A number of evaporation pans (ponds) were constructed at Woodvale to the north of Bendigo in the 1980's to facilitate the evaporation of groundwater from the underground workings. The facility grew over a number of years to accommodate the progressive increase in the volume of water pumped from underground as the Kangaroo Flat mine grew. GBM acquired the Woodvale Evaporation Pond Complex (Figure 7) and a Water Treatment Plant at the New Moon site in Eaglehawk as part of the Bendigo purchase.



Figure 7: Woodvale Evaporation Pond Complex

After Unity Mining suspended operations in 2011, the Victorian Government assumed responsibility for dewatering the Central Deborah tourist mine and ensuring that there are no uncontrolled discharges of groundwater to the surface across Bendigo.

The government committed funding for a solution to manage the groundwater that included refurbishment and operation of the GBM water treatment facility at New Moon. GBM has leased this facility to Coliban Water, the local water authority, until June 2021. GBM will not require any dewatering from underground at Bendigo for at least the next five years.

The change in mine water disposal methodology by the government rendered the Woodvale Evaporation Pond Complex redundant. In September 2017, GBM received approval from Earth Resources Regulation to rehabilitate the Woodvale Evaporation Pond Complex site. A condition of approval dictates that the remediation proposal shall be subject to an environmental audit under Section 53V of the Environment Protection Act 1970. After consultation with the community, GBM appointed a qualified EPA auditor to carry out this work.

Summary

GBM is moving to commence production to generate revenue at the Kangaroo Flat Sand Dam and Harvest Home projects. The Company will also remain focused on growing its Resource base.

Operating and Financial Review

Financial performance

The loss of GBM Gold Limited (“GBM”) and its subsidiaries (the “consolidated entity”) for the half-year ended 31 December 2017, after income tax, amounted to \$455,270 (2016: loss \$799,057). Other income of \$396,466 (2016: \$333,768) was received during the half-year due primarily to the receipt of interest and pumping fees of \$235,221 (2016: \$209,106).

GBM incurred other operating expenses of \$851,736 (2016: \$1,132,825) during the half-year period due primarily to the Kangaroo Flat Mine care & maintenance expenses of \$471,000 (2016: \$464,000) and administration expenses of \$376,390 (2016: \$596,540).

Current structure of the Group

Controlling Entity:	ACN	Percentage Owned 31 December 2017
GBM Gold Ltd	119 956 624	—
Controlled Entities		
Goldsborough Mining Pty Ltd	072 849 220	100%
GBM Fiddlers Creek Pty Ltd	119 943 421	100%
Greater Bendigo Gold Mines Pty Ltd	116 991 691	100%
GBM Wilson Hill Pty Ltd	007 257 452	100%
Kralcopic Pty Ltd	007 222 086	100%

Dividends

No dividends have been paid or provided for in the period of this report or since balance date.

Events subsequent to reporting date

There were no other significant events after the balance date which impacted the operations of the Group. other than what is outlined in the Going Concern note 1 in the notes to the financial statements on page 21.

Likely developments

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

1. Commencement of production from the coarse sand dam at Kangaroo Flat.
2. Planning for exploration of the Nell Gwynne exploration target in the Bendigo Goldfield.
3. Planning for rehabilitation at the Woodvale Evaporation Ponds.
4. Exploration and mining work plan approvals for the Harvest Home project.

Auditor's independence declaration

The auditor's independence declaration is set out on page 16 and forms part of the Directors' Report for the half-year ended 31 December 2017.

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



Eric Ng

Chairman

Bendigo, 14 March 2018



John Harrison

Director & CEO

Auditors Independence Declaration



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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2017 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the review.

ShineWing Australia

ShineWing Australia
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'M. Schofield'.

Matthew Schofield
Partner

Melbourne, 15 March 2018

Consolidated Statement of Profit or Loss and other Comprehensive Income

For the half year ended 31 December 2017

	Note†	31-Dec-17	31-Dec-16
		\$	\$
Continuing operations			
Sales Revenue		-	-
Other income		396,466	333,768
Kangaroo Flat Mine care & maintenance expenses		(471,000)	(464,000)
Depreciation and impairment		(4,346)	(12,285)
Share based payments	6	-	(60,000)
Administrative expenses		(376,390)	(596,540)
Profit/(Loss) before income tax		(455,270)	(799,057)
Income Tax Expense		-	-
Profit/(Loss) for the half year before discontinued operations		(455,270)	(799,057)
Discontinued operations			
Profit / (loss) from discontinued operations after tax		-	207,069
Net loss for the half year		(455,270)	(591,988)
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents per share)		(0.001)	(0.001)
Diluted earnings per share (cents per share)		(0.001)	(0.001)
From continuing operations:			
Basic earnings per share (cents per share)		(0.001)	(0.001)
Diluted earnings per share (cents per share)		(0.001)	(0.001)
From discontinued operations:			
Basic earnings per share (cents per share)		-	(0.0002)
Diluted earnings per share (cents per share)		-	(0.0002)

† The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2017

	Note†	Consolidated	
		31-Dec-17	30-Jun-17
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		356,119	49,601
Receivables and prepayments		152,961	125,122
Assets classified as held for sale	7	4,420,454	5,895,000
Total current assets		4,929,534	6,069,723
Non-current assets			
Other financial assets		5,963,000	6,013,500
Property, plant and equipment		293,261	297,607
Exploration and evaluation		626,466	621,046
Total non-current assets		6,882,727	6,932,153
Total assets		11,812,261	13,001,876
Liabilities			
Current liabilities			
Trade and other payables		413,983	560,137
Financial liabilities		2,428,000	2,978,000
Provisions		77,616	65,307
Liabilities directly associated with assets classified as held for sale		-	-
Total current liabilities		2,919,599	3,603,444
Non-current liabilities			
Provisions		5,963,000	6,013,500
Financial liabilities		1,830,000	1,830,000
Total non-current liabilities		7,793,000	7,843,500
Total liabilities		10,712,599	11,446,944
Net assets		1,099,662	1,554,932
Equity			
Share Capital	5	27,951,122	27,951,122
Accumulated losses		(26,851,460)	(26,396,190)
Total equity		1,099,662	1,554,932

† The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2017

Consolidated	Share capital	Accumulated losses	Total
	\$	\$	\$
Balance at 30 June 2017	27,951,122	(26,396,190)	1,554,932
Comprehensive Income for the Period			
Loss for the period	-	(455,270)	(455,270)
Total Comprehensive Income for the Period	-	(455,270)	(455,270)
Transactions with Owners in their Capacity as Owners:			
Shares issued	-	-	-
Share issue transaction Costs	-	-	-
Total transactions with Owners in their Capacity as Owners	-	-	-
Other: Share based payments	-	-	-
Total other:	-	-	-
Balance at 31 December 2017	27,951,122	(26,851,460)	1,099,662
Balance at 30 June 2016	26,600,707	(24,872,952)	1,727,755
Comprehensive Income for the Period			
Loss for the period	-	(799,057)	(799,057)
Total Comprehensive Income for the Period	-	(799,057)	(799,057)
Transactions with Owners in their Capacity as Owners:			
Shares issued	1,338,415	-	1,338,415
Share issue transaction Costs	(48,000)	-	(48,000)
Total transactions with Owners in their Capacity as Owners	1,290,415	-	1,290,415
Other: Share based payments	60,000	-	60,000
Balance at 31 December 2016	27,951,122	(25,672,009)	1,727,755

† The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2017

	Consolidated	
	31-Dec-17	31-Dec-16
Cash flows from operating activities		
Cash receipts from customers	170,597	313,181
Cash paid to suppliers and employees	(961,858)	(962,112)
Interest received	81,706	84,512
Interest paid	(19,378)	-
Net cash outflow from operating activities	(728,933)	(564,419)
Cash flows from investing activities		
Proceeds from sale of property, plant & equipment	1,585,451	408,800
Proceeds from the disposal of other non-current assets	-	-
Acquisition of property, plant & equipment	-	(11,800)
Net cash inflow / (outflow) from investing activities	1,585,451	397,000
Cash flows from financing activities		
Proceeds from the sale of subsidiary shares	-	300,000
Proceeds from the issue of share capital	-	800,000
Share issue transaction costs	-	(60,000)
Repayment of loans	(550,000)	(30,000)
Net cash from financing activities	(550,000)	1,010,000
Net increase in cash and cash equivalents	306,518	842,581
Cash and cash equivalents at start of reporting period	49,601	25,946
Cash and cash equivalents at end of reporting period	356,119	868,527

† The accompanying notes form part of these consolidated financial statements.

1. Statement of Preparation and Accounting Policies

Statement of compliance

These general purpose financial statements for the half-year reporting period ended 31 December 2017 has been prepared in accordance with the requirements of the *Corporations Act 2001* and *Australian Accounting Standard AASB 134 Interim Financial Reporting*.

Basis of preparation

The half-year financial statements are intended to provide users with an update on the last annual financial statements of the GBM Group. As such it does not contain information that represents relatively insignificant changes occurring during the half-year within the GBM Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of the GBM Group for the year ended 30 June 2017, together with any public announcements made during the half-year in accordance with the continuous disclosure requirements in the *Corporations Act 2001*.

The accounting policies applied in the presentation of these financial statements are consistent with those applied in the most recent annual financial statements and the comparative interim reporting period.

Going Concern

The Directors have prepared the financial report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business. The Group incurred a net loss of \$455,270 and an operating cash outflow of \$728,933 for the half-year ended 31 December 2017. At that date the Group was in a net current asset position of \$2,009,935.

In forming a view that the Group is a going concern, the directors note the following:

- The majority of the Kangaroo Flat Mine 600,000 tonne per annum gold ore processing plant that is currently held for sale is recorded as assets classified as held for sale in the sum of \$4,420,000. The processing plant is surplus to the Companies requirements as the size of the plant is not in line with the expected extraction rate of mining in the future. GBM Gold through its wholly owned subsidiary Kralcopic Pty Ltd and Australian Mining Equipment Exporters Pty Ltd ('AME') are parties to an asset sale agreement in respect of the Kangaroo Flat Mine 600,000 tonne per annum gold ore processing plant dated 24 July 2017 ('ASA'). AME has been notified that it is in breach of its obligations under the ASA to proceed with the Second Tranche Completion and pay the Second Tranche Purchase Price. The Second Tranche Completion was due to occur on the 1st December 2017. Kralcopic was capable of fulfilling its obligations under the ASA subject to AME paying the Second Tranche Purchase Price. GBM and AME are working together to resolve the situation.
- \$1,878,000 is payable to Unity Mining in May 2018 for the third deferred bond instalment to repay cash provided by Unity Mining to meet the rehabilitation obligations at the Bendigo Goldfield. As announced to the ASX on 18 May 2016, Unity Mining and GBM Gold agreed that should GBM

Notes to the Financial Statements

Gold sell the Kangaroo Flat Gold Processing Plant, part of the proceeds would be used to reduce the amounts owed to Unity. It is anticipated that with the resolution of the outstanding Second and Third Tranche payments from AME that the third deferred bond instalment will be paid to Unity Mining from the sale of the Kangaroo Flat Gold Processing Plant.

- \$550,000 of loan funds are payable to the Company's largest shareholder Silver Bright International Development Limited ('SBDI'), which is currently disclosed as a current financial liability. SBDI will require the loan funds to be repaid when the sale of the Kangaroo Flat Gold Processing Plant occurs.
- Future cash inflows are expected from the gold revenue sales from the processing of tailings and open pit operations and also inflows from a number of rental and operating leases for various facilities and infrastructure.

If the sale of the remaining parts of the gold ore processing plant does not eventuate in the short term, the combination of income from other cash inflows as outlined above plus the directors are confident to raise sufficient working capital if required would ensure the Group's ability to continue as a going concern.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern and to be able to pay their debts as and when they fall due, and therefore the consolidated entity, maybe unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

2. Segment Information

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

3. Dividends

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

4. Events Subsequent to Reporting Date

There were no other significant events after the balance date which impacted the operations of the Group other than what is outlined in the Going Concern note in 1 above.

Notes to the Financial Statements

5. Issued Capital

	Consolidated	
	31-Dec-17	30-Jun-17
	\$	\$
Fully paid ordinary shares	27,951,122	27,951,122
	27,951,122	27,951,122

	Consolidated	
	31-Dec-17	30-Jun-17
	No.	No.
Ordinary Shares		
At the beginning of the reporting period	1,118,319,556	1,118,319,556
Shares issued during the reporting period	-	-
At the end of the reporting period	1,118,319,556	1,118,319,556
Nil options available during both reporting periods	-	-

6. Assets Held for Sale

	31 Dec 2017	30 Jun 2017
Assets classified as held for sale	\$	\$
Plant, property & equipment *1	4,420,455	5,895,000
	4,420,455	5,895,000
Liabilities directly associated with assets classified as held for sale		
Provisions	-	-
	-	-

*1 Plant, property and equipment relates to the Kangaroo Flat Mine 600,000 tonne per annum gold ore processing plant that is currently held for sale. Part of the 600,000 tonne per annum gold ore processing plant was disposed to Australian Mining Equipment Exporters Pty Ltd ('AME') during the six month period ending 31 December 2017 for \$1,500,000 less a minor finder fee. The remaining components of the processing plant are surplus to the GBM Group requirements as the size of the components are not in line with the expected extraction rate of mining in the future. AME has been notified that it is in breach of its obligations under the Asset Sale Agreement ('ASA') to proceed with the Second Tranche Completion and pay the Second Tranche Purchase Price. The Second Tranche Completion was due to occur on the 1st December 2017. Kralcopic was capable of fulfilling its obligations under the ASA subject to AME paying the Second Tranche Purchase Price. GBM and AME are working together to resolve the situation.

Director's Declaration

The Directors of GBM Gold Limited declare that:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
 - i. comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - ii. give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.
- (b) in the director's opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:



Eric J P Ng
Chairman



John Harrison
Director & CEO

Bendigo, 14 March 2018

Independent Auditors Review Report



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GBM GOLD LIMITED AND ITS CONTROLLED ENTITIES

Report on the Half-year Financial Report

Conclusion

We have reviewed the half-year financial report of GBM Gold Limited ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes to the financial statements and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 : *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter - Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$455,270 and an operating cash outflow of \$728,933 for the half-year ended 31 December 2017. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 : *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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Independent Auditors Review Report



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in blue ink that reads 'ShineWing Australia'.

ShineWing Australia
Chartered Accountants

A handwritten signature in blue ink that reads 'M. Schofield'.

Matthew Schofield
Partner

Melbourne 15 March 2018

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Stock Exchange Listing

Australian Stock Exchange — Code: GBM