



28 November 2018

ASX Announcement

CORPORATE UPDATE

GBM Gold Limited ABN 59 119 956 624

ASX CODE: GBM

CORPORATE DETAILS:

Shareholders:
684

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

Company Secretary:

Andrew Chan

CONTACT DETAILS:

Principal and Registered Office:

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GBM Gold Limited (ASX: GBM) ("GBM Gold") advises that the delivery of the funds from the loan of \$3.0 million secured for the Company from Silver Bright International Development Limited, GBM Gold's largest shareholder has been delayed until on or before 10 December 2018. GBM is also currently discussing with another party to provide a \$3.0 million short term loan before 4 December 2018.

As previously advised, the total proceeds of the loan will be used for the payment of the third deferred bond repayment in the amount of \$1.878 million to Unity Mining for the Kangaroo Flat assets. The remainder of \$1.122 million will be used for working capital purposes.

As part of its ongoing capital raising commitment to fund its exploration program, GBM Gold also wishes to update the market that the Company is well advanced in its preparation of a fully underwritten rights issue with a plan to make an announcement about the full details of this in due course.

The successful completion of the Company's ongoing capital raising efforts will enable further activities to be undertaken in three significant targeted areas:

- The Kangaroo Flat Coarse Sand Dam where the work plan received approval in the last quarter from Earth Resources and the processing equipment is ready and in the final phases of commissioning which will clear the way for the project to commence operation.
- The Harvest Home Open Pit Mine expansion where preparations to mine are in progress.
- The reopening of the Swan Decline at Kangaroo Flat and the program for underground exploration on the Nell Gwynne Line of Reef where requisite approvals have been granted.

As announced in [September 2015](#), GBM Gold entered into a Binding Asset Sale Agreement for the purchase of Unity Mining's Kangaroo Flat gold plant, equipment and facilities, including mining and exploration tenements, buildings and freehold land in the Bendigo area. The key terms of the Asset Sale Agreement signed between the parties included deferred bond payments of \$5.908 million over a three-year period to repay cash provided by Unity Mining to GBM Gold, to meet the rehabilitation obligations at Bendigo. To date, Kralcopic has paid the first and second payment instalments which total \$2,200,000 but has not paid Unity Mining the amount of \$1,878,000 (Third Bond Instalment) that was due on 18 May 2018, being the second anniversary of completion of the Asset Sale Agreement between Unity Mining and Kralcopic.

As a result, Unity Mining has given notice of an Event of Default of the General Security Deed between Unity Mining and Kralcopic Pty Limited (a wholly owned subsidiary of GBM Gold) dated 17 May 2016. GBM Gold has seven (7) days to remedy this default and along with the \$3.0 million loan payment expected, the Company is exploring a range of other funding sources to meet the 4 December deadline for the payment of \$1,878,000 to Unity Mining.

Andrew Chan has resigned as a Director of GBM Gold Ltd for personal reasons but remains as Company Secretary.



About GBM Gold Ltd (ASX: GBM)

GBM Gold is an Australian based resources company that is creating value from its portfolio of mining and exploration assets, including the Bendigo Goldfield, located in one of Australia's most significant gold producing regions; the Central Victorian Goldfields.

The Company is targeting projects to develop long term sustainable mining to fund the Company's growth. Recent work has centred on the Bendigo Goldfield and 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 projects on the Bendigo Goldfield.