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**GBM RESOURCES LIMITED**

**ACN 124 752 745**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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**TIME:** 10.00am (WST)

**DATE:** Monday, 22 July 2013

**PLACE:** Parmelia Hilton Hotel  
14 Mill Street  
Perth, Western Australia

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9316 9100.*

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## **IMPORTANT INFORMATION**

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### **TIME AND PLACE OF MEETING**

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Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at the Parmelia Hilton Hotel, 14 Mill Street, Perth, Western Australia on 22 July 2013 at 10.00am (WST).

### **YOUR VOTE IS IMPORTANT**

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The business of the Meeting affects your shareholding and your vote is important.

### **VOTING ELIGIBILITY**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 19 July 2013.

### **VOTING IN PERSON**

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To vote in person, attend the Meeting at the time, date and place set out above.

### **VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – ISSUE OF SHARES IN CONSIDERATION FOR ACQUISITION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 58,634,036 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 50,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 3. RESOLUTION 3 – PLACEMENT OF OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 50,000,000 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 4. RESOLUTION 4 – ISSUE OF OPTIONS – PRIORITY OFFER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.1 of the ASX Listing Rules and for all other purposes, approval be given for the Directors to issue up to 64,800,000 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 5. RESOLUTION 5 – ISSUE OF OPTIONS TO RELATED PARTY – SUNNY LOH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 8,900,000 Options to Mr Sunny Loh (and/or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Sunny Loh (and/or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 6. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY – PETER THOMPSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,468,763 Options to Mr Peter Thompson (and/or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Peter Thompson (and/or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 7. RESOLUTION 7 – ISSUE OF OPTIONS TO RELATED PARTY – NEIL NORRIS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,546,818 Options to Mr Neil Norris (and/or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Neil Norris (and/or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**8. RESOLUTION 8 – ISSUE OF OPTIONS TO RELATED PARTY – CAM SWITZER**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,173,437 Options to Mr Cam Switzer (and/or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Cam Switzer (and/or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**DATED: 18 JUNE 2013**

**BY ORDER OF THE BOARD**

**KEVIN HART  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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### 1. BACKGROUND

#### 1.1 Recommissioning of the Lubuk Mandi Gold Mine in Peninsular Malaysia

As announced on 11 June 2013, the Company has executed a Binding Term Sheet with Malaysian company, Angka Alamjaya Sendirian Berhad (**AASB**) to recommission the Lubuk Mandi Gold Mine in Peninsular Malaysia.

AASB is the registered owners of the concession entitling it to carry out mining works on the Lubuk Mandi Gold Project. It is the Company and AASB's intention to undertake exploration and development of the tailings dam on the Lubuk Mandi Gold Mine under AASB's concession.

The abovementioned Company announcement provides further detail on the Lubuk Mandi Gold Project is annexed to this Notice at Annexure A.

#### 1.2 Share swap

Under the Binding Term Sheet, AASB will acquire 15% of fully paid ordinary shares in the Company, in consideration for the Company acquiring approximately 40% of AASB's issued capital. This will be effected through the following share swap:

- (a) subject to the passing of Resolution 1, the Company issuing 58,634,036 Shares to AASB; and
- (b) AASB issuing 2,946,938 fully paid ordinary shares in the capital of AASB to the Company,

#### **(Acquisition).**

The Acquisition is the subject of Resolution 1.

The Company and AASB are currently negotiating a formal Acquisition and Joint Venture Agreement (**AJVA**) in relation to the matters subject of the Binding Term Sheet. The AJVA will be on terms and conditions that are usual for such transactions and will contain provisions which govern the operation and funding of AASB. Further details of the AJVA will be released to the market as and when they are available.

Subject to completion of the Acquisition, the composition of the AASB Board will include a representative of the Company and the composition of the Company Board will include a representative of AASB.

Subject to completion of the Acquisition, the outcome of further exploration and development of the tailings dam on the Lubuk Mandi Gold Mine, satisfaction of any regulatory requirements and market conditions, the parties ultimately intend to complete an initial public offering of AASB shares on the Singapore Stock Exchange.

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## 2. RESOLUTION 1 – ISSUE OF SHARES IN CONSIDERATION FOR ACQUISITION

### 2.1 General

Resolution 1 seeks Shareholder approval for the issue of 58,634,036 Shares in consideration for the Acquisition (**Placement**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 58,634,036;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares will be issued for nil cash consideration in satisfaction of the consideration for the Acquisition;
- (d) the Shares will be issued to AASB, who is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the Placement as the Shares are being issued in consideration for the Acquisition.

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## 3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES

### 3.1 General

On 11 June 2013, the Company announced the completion of a capital raising of \$1,000,000 through the issue of 50,000,000 Shares at an issue price of \$0.02 per Share together with, and subject to shareholder approval, 50,000,000 Options on the basis of one (1) free attaching Option for every one (1) Share subscribed for and issued (**Capital Raising**).

The Company issued the Shares the subject of the Capital Raising without prior Shareholder approval out of its 15% annual placement capacity under ASX Listing Rule 7.1 and its additional 10% placement capacity under ASX Listing Rule 7.1A.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

ASX Listing Rule 7.1A provides that a company may seek Shareholder approval at its annual general meeting to allow it to issue Securities up to 10% of its issued capital, provided that it is an eligible entity (**Eligible Entity**).

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

At the time approval was obtained, the Company was an Eligible Entity as it was not included in the S&P/ASX 300 Index and had a market capitalisation of \$12,552,055.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 or 7.1A (and provided that the previous issue did not breach ASX Listing Rule 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1 and 7.1A.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and up to the 10% annual placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

### **3.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 50,000,000 Shares were issued on the following basis
  - (i) 35,000,000 Shares issued pursuant to Listing Rule 7.1; and
  - (ii) 15,000,000 Shares issued pursuant to Listing Rule 7.1A;
- (b) the issue price per Share was \$0.02;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to international sophisticated investors. None of these subscribers were related parties of the Company; and
- (e) the funds raised from this issue will be used to fund ongoing exploration and development of the Company's exploration assets and for general working capital.

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## 4. RESOLUTION 3 – PLACEMENT OF OPTIONS

### 4.1 General

Resolution 3 seeks Shareholder approval for the issue of up to 50,000,000 Options for nil cash consideration to subscribers in the Capital Raising detailed in Section 3.1 on the basis of one (1) free attaching Option for every one (1) Share subscribed for and issued (**Option Placement**).

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

The effect of Resolution 3 will be to allow the Company to issue the Options pursuant to the Option Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of Options to be issued is 50,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the issue price of the Options will be nil as they will be issued free attaching with the Shares issued pursuant to the Capital Raising on a one (1) for one (1) basis;
- (d) the Options will be issued to the subscribers in the Capital Raising the subject of Resolution 2 on the basis of one (1) free attaching Option for every one (1) Share subscribed for and issued;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the Option Placement as the Options are being issued for nil cash consideration.

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## 5. RESOLUTION 4 – ISSUE OF OPTIONS – PRIORITY OFFER

### 5.1 General

As announced to the ASX on 11 June 2013, the Company proposes to undertake a pro rata non-renounceable Priority Offer on the basis of one (1) new Option for every two (2) Listed Options held by Optionholders registered on 30 June 2013 (**Record Date**) at an issue price of \$0.005 per Option to raise approximately \$322,000 (**Priority Offer**).

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

The effect of Resolution 4 will be to allow the Company to issue the Options pursuant to the Priority Offer during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity. Resolutions 5, 6, 7 and 8 relate to the participation of the

Directors in the Priority Offer and the Options the subject of each of those Resolutions are part of and not in addition to the Options the subject of Resolution 4.

The Company will prepare a prospectus in relation to the Priority Offer. Subject to the requirements of the ASX Listing Rules, the Company will seek quotation of the Options issued in relation to the Priority Offer.

## 5.2 Technical Information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Entitlement Issue:

- (a) the maximum number of Options to be issued and allotted is 64,800,000 Options;
- (b) the Options will be issued at \$0.005 per Option;
- (c) the Options will be issues to unrelated parties and holders of Listed Options in the Company on the Record Date who apply for Options under the Priority Offer;
- (d) the terms and conditions of the Options are set out in Schedule 2;
- (e) funds raised from the Priority Offer will be used to pay the costs of the issue and supplement the general working capital of the Company; and
- (f) the 64,800,000 Options to be issued to unrelated parties of the Company, in accordance with this Resolution, will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date.

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## 6. RESOLUTIONS 5 - 8 – ISSUE OF OPTIONS TO RELATED PARTIES

### 6.1 General

Pursuant to Resolutions 5 to 8, the Company is seeking Shareholder approval for the issue of Options to Messrs Sunny Loh, Peter Thompson, Neil Norris and Cam Switzer (or their nominees), directors of the Company, on the same terms as Priority Offer set out in Section 5.1 above (i.e. to allow the Directors to participate in the Priority Offer).

Resolutions 5 to 8 seek Shareholder approval for the issue of up to 15,089,018 Options to Messrs Sunny Loh, Peter Thompson, Neil Norris and Cam Switzer (or their nominees) in the following proportions:

- (a) 8,900,000 to Mr Sunny Loh (and/or his nominees);
- (b) 2,468,763 to Mr Peter Thompson (and/or his nominees);
- (c) 1,546,818 to Mr Neil Norris (and/or his nominees); and
- (d) 2,173,437 to Mr Cam Switzer (and/or his nominees),

arising from the proposed participation by Messrs Sunny Loh, Peter Thompson, Neil Norris and Cam Switzer in the Priority Offer (**Participation**).

The Options the subject of Resolutions 5, 6, 7 and 8 are part of and not in addition to the Options the subject of Resolution 4.

## **6.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Options constitutes the giving of a financial benefit and Messrs Sunny Loh, Peter Thompson, Neil Norris and Cam Switzer are related parties of the Company by virtue of being Directors.

With respect to Resolution 5, the Directors (other than Mr Sunny Loh who has a material personal interest in Resolution 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Options will be issued to Mr Sunny Loh on the same terms as Options issued to non-related party participants in the Priority Offer and as such the giving of the financial benefit is on arm's length terms.

With respect to Resolution 6, the Directors (other than Mr Peter Thompson who has a material personal interest in Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Options will be issued to Mr Peter Thompson on the same terms as Options issued to non-related party participants in the Priority Offer and as such the giving of the financial benefit is on arm's length terms.

With respect to Resolution 7, the Directors (other than Mr Neil Norris who has a material personal interest in Resolution 7) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Options will be issued to Mr Neil Norris on the same terms as Options issued to non-related party participants in the Priority Offer and as such the giving of the financial benefit is on arm's length terms.

With respect to Resolution 8, the Directors (other than Mr Cam Switzer who has a material personal interest in Resolution 8) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Options will be issued to Mr Cam Switzer on the same terms as Options issued to non-related party participants in the Priority Offer and as such the giving of the financial benefit is on arm's length terms.

## **6.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Priority Offer involves the issue of Options to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

#### **6.4 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Options will be allotted as follows:
  - (i) 8,900,000 to Mr Sunny Loh (or his nominees);
  - (ii) 2,468,763 to Mr Peter Thompson (or his nominees);
  - (iii) 1,546,818 to Mr Neil Norris (or his nominees); and
  - (iv) 2,173,437 to Mr Cam Switzer (or his nominees),each of whom are directors of the Company;
- (b) the maximum number of Options to be issued is 15,089,018, in the proportions outlined in (a) above;
- (c) the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (d) the issue price will be \$0.005 per Option;
- (e) the Options will be issued on the terms and conditions set out in Schedule 2;
- (f) the funds raised will be used to pay the costs of the issue and supplement the general working capital of the Company.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Options to Messrs Sunny Loh, Peter Thompson, Neil Norris and Cam Switzer (and/or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## GLOSSARY

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**\$** means Australian dollars.

**AASB** means Angka Alamjaya Sdn Bhd. (Company No. 959776-K).

**Acquisition** has the meaning given to it in section 1.2 of the Explanatory Statement.

**Alvito** means Alvito Capital Limited.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Binding Term Sheet** means the binding term sheet between the Company and AASB dated on or about 11 June 2013.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Company** means GBM Resources Limited (ACN 124 752 745).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** mean the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Extraordinary General Meeting** or **Meeting** means the meeting convened by the Notice.

**Listed Options** means an Option listed on ASX under the code GBZOA.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option or Listed Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS–PLACEMENT

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### 1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### 2. Exercise Price

Subject to paragraph 10, the amount payable upon exercise of each Option will be \$0.035 (**Exercise Price**).

### 3. Expiry Date

Each Option will expire at 5.00pm (WST) on 30 June 2016 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### 4. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### 5. Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### 6. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

### 7. Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (a) the Exercise Date; and
- (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the

Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 7(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

#### **8. Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

#### **9. Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

#### **10. Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

#### **11. Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

#### **12. Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

#### **13. Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS–PRIORITY OFFER

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### 1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### 2. Exercise Price

Subject to paragraph 10, the amount payable upon exercise of each Option will be \$0.035 (**Exercise Price**).

### 3. Expiry Date

Each Option will expire at 5.00pm (WST) on 30 June 2016 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### 4. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### 5. Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### 6. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

### 7. Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (a) the Exercise Date; and
- (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a

notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 77(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

#### **8. Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

#### **9. Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

#### **10. Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

#### **11. Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

#### **12. Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

#### **13. Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

ASX Announcement  
11 June 2013

## GBM Signs Binding Term Sheet to acquire Interest in Malaysian Gold Mine

### Highlights:

- **GBM Signs Binding Term Sheet with Malaysia company, Angka Alamjaya Sendirian Berhad (AASB) to recommission the Lubuk Mandi Gold Mine in Peninsular Malaysia.**
- **GBM and AASB agree to undertake a share swap in which GBM will acquire approximately 40% of AASB by issuing 15% of ordinary shares in GBM.**
- **GBM and AASB plan to develop the Lubuk Mandi Gold Mine and recommence mining operations.**
- **Exploration target for the Lubuk Mandi project is estimated to contain between 174,000 and 443,000 oz of gold.<sup>1</sup> (See Table 1)**
- **The development plan will focus on the retreatment of the tailings dam followed by the recommencement of hard rock mining.**
- **GBM and AASB intend to complete an Initial Public Offering on the Singapore Stock Exchange during 2014. (Subject to completion of the share swap, further exploration, satisfaction of any regulatory requirements and market conditions)**

Australian resources company GBM Resources Limited (ASX: GBZ) (**GBM** or the **Company**), today announces that it has executed a Binding Term Sheet (**Agreement**) with Angka Alamjaya Sendirian Berhad (**AASB**) to further develop the Lubuk Mandi Gold Mine located near the State capital of Terengganu Malaysia through a Share Swap Agreement (**Share Swap**), whereby GBM will acquire a major stake in AASB.

Under the terms of the Agreement, AASB will, subject to shareholder approval acquire 15% of fully paid ordinary shares in GBM subject to approval for GBM shareholders, for consideration for GBM acquiring approximately 40% of AASB's issued capital. AASB is the entity that owns the concession entitling it to carry out mining works on the Lubuk Mandi Gold Project.

<sup>1</sup> The potential tonnage and grade of the exploration target expressed is conceptual in nature and should not be considered as an estimate of a Mineral Resource. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of the Mineral Resource.

Both parties have agreed that following completion of the Share Swap, further exploration and development of the tailings dam on the Lubuk Mandi Gold Mine, satisfaction of any regulatory requirements and market conditions, the Parties intend to complete an Initial Public Offer of AASB shares on the Singapore Stock Exchange.

GBM's Managing Director Peter Thompson said, "We are delighted with having the opportunity to develop and explore the Lubuk Mandi Gold Mine with AASB. Our strategy is well supported by our major Singaporean shareholders and is in line with our business objective of delivering shareholder value via project generation.

The Lubuk Mandi Gold Mine, which was previously owned and operated by government body Terengganu State Economic Development, in the mid 90's, produced 108,000 ounces of gold from two shallow pits. The associated processing plant is rated at 300,000 tpa and involves single stage crushing to a stockpile and mill. The mine and processing plant have been on care and maintenance since 2000.



*Location Map of the Lubuk Mandi Gold Mine*

GBM have conducted due diligence and developed a business plan to develop the project and recommence mining operations. The review is based on data provided by the current owners, AASB.

The project has three identified sources of mineralised material that may provide ore for future mining and treatment. Exploration targets have been estimated for these and are summarized below (see table 1 for further details)<sup>2</sup>:

- **Tailings Dam** - exploration target between 1Mt at 0.7 g/t Au containing 23,000 oz Au, and 1.4Mt at 0.9 g/t Au containing 38,000 oz Au.
- **Main Zone** - exploration target between 370,000 tonnes averaging 2.9 g/t Au containing 35,000 oz Au and 1,100,000t averaging 3.6 g/t Au containing 127,000 oz Au.
- **East Zone** - exploration target between 1,440,000 tonnes averaging 2.5 g/t Au containing 116,000 oz Au and 2,400,000 tonnes averaging 3.6g/t Au containing 278,000 oz Au.

**Total JORC exploration target for the project is estimated to contain between 174,000 and 443,000 ounces of gold.** (See Table 1 for tonnes and average grade and note on estimation basis).

The project area covers 221 hectares and includes over a million tonne of tailings which has the potential for early gold production and provides development funding options.



*Photograph; Dendritic gold on quartz. Sample M446 (Field of view approx 5mm), Henney et al 1994 pp33, Characterisation of Gold from Lubuk Mandi ,British Geological Survey Technical Report WC94021*

<sup>2</sup> The potential tonnage and grade of the exploration targets expressed are conceptual in nature and should not be considered as estimates of Mineral Resources. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of the Mineral Resource.



*Photograph; Mineralised vein in thinly bedded sediments at south end of North Pit*



*Mine Lease location plan. Approximate location only relative to Google Earth image. Projected mineralised envelopes also shown. Base Google satellite image of Lubuk Mandi Mine environs. (Grid UTM WGS84 Zone 48N)*

The completion of the transaction is conditional on the following;

- I. All approvals that are required by GBM and AASB by law including, but not limited to, any regulatory body, shareholders or any third party, as are necessary to permit the transaction to occur; and
- II. Project funding requirement of up to US\$5million being agreed and put in place.

The parties have also agreed to use their best endeavors to negotiate and execute a formal Acquisition and Joint Venture Agreement.

A Notice of Meeting to seek the relevant shareholder approvals will be announced and despatched to shareholders within the coming weeks.

For further information please visit [ww.gbmr.com.au](http://ww.gbmr.com.au) or contact:

Peter Thompson

Managing Director

GBM Resources

Tel: +61 8 9316 9100

**Media:**

Karen Oswald

Walbrook IR

Tel: + 0423 602 353

#### **Note on Estimation of Exploration Targets:**

Although several resource estimates have been quoted in previous reports by other companies, it not possible to validate any of these to meet JORC requirements as no primary data from drilling is available, nor has the drillcore or other sample material been located. This applies to both hardrock and tailings materials. However, considering the availability of a database of drillhole details and analyses, location of various company reports referring to the drilling and results, existence of a mine and production records quoted by a government company and the credibility of the previous mine operator in the Malaysian Mining Industry, it is considered that this information is of sufficient quality and reliability to be used in the estimation of exploration targets.

Exploration Targets have been estimated to JORC standard for the main tailings dam, main pit mineralisation, and a zone of mineralisation on the south east side of the main pit, referred to here as the East Zone.

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.

GBM Resources Limited									
Lubuk Mandi Gold Mine Exploration Target Summary									
Target	Low Range				High Range				
	Tonnes	Grade (g/t Au)	Gold (ozs)	Comments	Tonnes	Grade (g/t Au)	Gold (ozs)	Comments	
Tailings Dams	1,010,000	0.7	23,000	3D volume estimate of upper dam only, 20% reduction in average grade of available samples (Bidalan Mayang SDN BHD Exploration Progress Report 08-10-04)	1,400,000	1.0	38,000	3D volume estimate of upperwith 40% allowance for error and lower dams, and 20% above average grade of available samples.	
Main Zone	370,000	2.9	35,000	Block Model S McManus Skandus, based largely on unconfirmed pit and UG series drillholes	1,100,000	3.6	127,000	Based on full volume of mineralised zones in block model at average grade estimated for previous mining.	
East Zone	1,440,000	2.5	116,000	Mapped zone 320m long, 30m wide, 60m deep, 2.5 g/t Au average grade of rock samples collected by previous operator (field plan, original analyses not available), SG =2.5.	2,400,000	3.6	278,000	320m long, 30m wide, 100m deep, 3.6 g/t Au estimated average grade of previous mine, SG =2.5.	
<b>Total</b>			<b>174,000</b>	<b>ozs.</b>			<b>443,000</b>	<b>ozs.</b>	

*Table 1: Exploration Target Estimates for Lubuk Mandi Project. The potential tonnage and grade of the exploration target expressed is conceptual in nature and should not be considered as an estimate of a Mineral Resource. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of the Mineral Resource.*

### **Competent Person's Statement**

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Neil Norris, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Norris is a full-time employee of the company. Mr. Norris has sufficient experience which is 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.