



27 November 2012

ASX
Melbourne
By email to Kobe Li Zheng.Li@asx.com.au

Dear Sir/Madam

Re : Diversity policy and disclosures

The Board of GBM Gold Ltd is conscious of the ASX Corporate Governance Principals.

The ASX has brought to the attention of the Board that it views that its Annual Report is deficient in its commentary on diversity in regards to recommendations 3.2 – 3.5. This letter is to address that.

DIVERSITY

As an overall statement the Board of GBM Gold Ltd (GBM) is committed to diversity and sees large corporate benefits arising from having input of different gender, cultures, ethnicity, age and background.

GBM seeks at all times to deploy the best people it can secure in whatever role (“merit and ability” philosophy) – and views that age, race, religion, creed, culture, background and/or gender have no part in the employment decision, with neither a positive nor negative employment or contracting bias to be applied (“no bias” philosophy).

The Company and its subsidiaries utilise the Merit and Ability Philosophy to employ, promote and contract on the basis of merit, ability, performance, responsibility, integrity, attitude and work ethic.

The Board encourages transparent and contestable employment processes and aims to keep the workplace environment open and diverse, with No Bias involved in any employment process.

Recommendation 3.2

Other than the above two statements of philosophy, GBM has not adopted a formal diversity policy as recommended under recommendation 3.2. The Board does not see that at its size and scale a formal diversity policy will provide any measurable benefit to the company, the group or group employees which is not provided by the overall “no bias” and “merit and ability” based employment and contracting philosophies. GBM views that the “no bias” philosophy is efficient in ensuring diversity and has the effect of leaving open the widest possible employee recruitment pool, allowing for the widest cultural and social perspectives and is socially and economically responsible.

Recommendation 3.3

Given the Company does not have a formal diversity Policy it has not implemented specific measurable objectives for achieving gender diversity per Recommendation 3.3 regarding the proportion of women to be employed in the group– nor does it see having such policy as appropriate.

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Nor has the company implemented requirements for a proportion of board members to be of one or other gender - or for that matter of any particular race, religion, culture, age or creed. The board views that setting quantitative gender or other measurable targets is not consistent with its "no bias" and "merit and ability based" employment and contracting philosophies.

Recommendation 3.4

The company, in keeping with Recommendation 3.4 of the Corporate Governance Council, provides the following information regarding gender diversity in the group as at 30/6/2012 :

Females employed in the company as a whole at 30 June 2012	4/28
Females employed in the company in senior positions	3/8
Females appointed as a Director of the Company or any group company	0/9

Future

The Board will in consider in future whether adoption of a formal Diversity Policy and implementation of measurable objectives for achieving gender diversity is appropriate to the scale of the Company's or the group's operations.

Yours Sincerely
GBM Gold Ltd



Ian Smith
Executive Chairman

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21 November 2012

Ian Smith
Executive Chairman
GBM Gold Limited

By Email

Dear Ian,

GBM Gold Limited (the “Company”)

We refer to the Company’s annual report for the year ended 30 June 2012 (“Annual Report”) released to the market on 1 October 2012 and in particular to the Company’s disclosures about its corporate governance practices and in particular its diversity policy.

Listing rule 4.10.3 requires that an entity include in its annual report:

“A statement disclosing the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed all of the recommendations the entity must identify those recommendations that have not been followed and give reasons for not following them. If a recommendation had been followed for only part of the period, the entity must state the period during which it had been followed.”

Principle 3 of the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations states that Companies should actively promote ethical and responsible decision-making and that:

“Companies should publish their policy concerning diversity, or a summary of that policy, and disclose annually their measurable objectives for achieving gender diversity, their progress toward achieving those objectives and the proportion of women in the whole organisation, in senior management postings and on the board.”

More specifically the following recommendations set out in more detail the requirements:-

Recommendation 3.2

“Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.”

Recommendation 3.3

“Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.”



Recommendation 3.4

“Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.”

Recommendation 3.5

“Companies should provide the information indicated in the Guide to reporting on Principle 3.”

The Listed Entities Updates dated 1 October 2010 and 7 February 2012 reminded listed entities of their obligation to report under the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations as set out above in their annual report for their first financial year commencing on or after 1 January 2011.

ASX Listings (ASXL) has reviewed the diversity policy disclosures in the annual reports of all entities. Upon our review of the Company's Annual Report, ASXL could not identify a statement in the annual report confirming whether the Company had followed or not followed the diversity recommendations of the Council.

ASXL attaches particular importance to encouraging a consistently high standard of listed entities' disclosures about the Council's corporate governance recommendations.

In light of the Company's non-disclosure in respect of the diversity recommendations in its Annual Report, ASXL requires that the Company make additional disclosure to the market in compliance with listing rule 4.10.3 about the extent to which the Company has followed or not followed each of the diversity recommendations of the Council.

The additional disclosure should be sent to me by e-mail or by facsimile on facsimile number **(03) 9614 0303**. It should not be sent to ASX Market Announcements. This is requested as soon as possible and, in any event, not later than **9.30am A.E.D.T. on Wednesday, 28 November 2012**.

Under listing rule 18.7A, a copy of this letter and the additional disclosure will be released to the market, so your response should be presented in a suitable form.

Should the Company fail to do so, ASXL may consider suspending the Company's securities from quotation until the Company releases to the market a diversity policy that discloses the required information.

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If you have any queries about this letter, or about the Council's recommendations and the Company's reporting obligations in relation to those recommendations, please contact me immediately.

Yours sincerely,

Kobe Li
Senior Adviser, Listings (Melbourne)