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Notice of Annual General Meeting and Explanatory Statement

The Annual General Meeting of

GBM GOLD LTD

ABN 59 119 956 624

will be held at

12:00pm on Wednesday, 30 November 2011

at

2H Thistle Street
Golden Square
Victoria 3555

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

CONTENTS

Item	Page
Notice of Annual General Meeting	3
Explanatory Statement	7
Resolution 1 – Adoption of Remuneration Report	7
Resolution 2 – Re-appointment of Mr Ian Smith as Director	8
Resolution 3 – Re-appointment of Mr John Cahill as Director	8
Resolution 4 – Re-appointment of Mr Paul H. K. Chan as Director	8
Resolution 5 – Re-appointment of Mr Andy Lai as Director	9
Resolution 6 – Re-appointment of Mr Stuart Hall as Director	9
Resolution 7 – Appointment of Auditor of the Company	10
Glossary	11
Proxy Form	12
Appointment of Corporate Representative Form	14

ACTION REQUIRED BY SHAREHOLDERS

Step 1

Read the notice of Annual General Meeting and the explanatory statement. The explanatory statement sets out details in relation to the resolutions. This information is important.

Step 2:

Vote on the resolutions. Your vote is important. You may cast your vote by:

attending and voting at the meeting to be held at 2H Thistle Street, Golden Circle, Victoria 3555 on Wednesday 30 November 2011 commencing at 12.00 pm (AEDT); or

completing and returning the enclosed proxy form so as to be received by the Company at its registered office by 12.00 pm (AEDT) on Monday 28 November 2011.

Annual Report:

Shareholders are advised that the 2011 Annual Report has been lodged on the Company's website www.gbmgold.com.au

For shareholders who have requested it, a copy of the 2011 Annual Report will be mailed under separate cover.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of GBM Gold Ltd ("Company") will be held at 2H Thistle Street, Golden Square, Victoria 3555 on W28 November 2011 commencing at 12.00 pm (AEDT). The Explanatory Statement which accompanies and forms part of this Notice of Annual General Meeting describes the various matters to be considered.

ORDINARY BUSINESS

Accounts

To receive and consider the financial report of the Company for the period ending 30 June 2011 and the related Directors' Report, Directors' Declaration and Auditor's Report.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following non-binding resolution as an ordinary resolution, with or without amendment:

"That the Remuneration Report set out in the Directors' Report for the year ending 30 June 2011 be adopted."

Notes to this Resolution:

- This resolution is advisory only and does not bind the Company or its directors
- If 25% or more of the votes cast vote against the adoption of the Remuneration Report at two consecutive AGMs then Shareholders will be required to vote at the second of those AGMs on a further resolution ("Spill Resolution"). The Spill Resolution will be that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director and CEO) must put themselves up for re-election.

Resolution 2 – Re-appointment of Mr Ian Smith as a Director of the Company

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

"That Mr Ian Smith, who ceases to hold office in accordance with Rule 3.6(b) of the Company's Constitution and being eligible, offers himself for election, be re-appointed as a Director of the Company."

Resolution 3 – Re-appointment of John Cahill as a Director of the Company

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

"That Mr John Cahill, who ceases to hold office in accordance with Rule 3.6(a) of the Company's Constitution and ASX Listing Rule 14.4 and being eligible, offers himself for election, be re-appointed as a Director of the Company."

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Resolution 4 – Re-appointment of Mr Paul H.K. Chan as a Director of the Company

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

“That Mr Paul H.K. Chan, who ceases to hold office in accordance with Rule 3.3(a) of the Company’s Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for election, be re-appointed as a Director of the Company.”

Resolution 5 – Re-appointment of Mr Andy Lai as a Director of the Company

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

“That Mr Andy Lai, who ceases to hold office in accordance with Rule 3.3(a) of the Company’s Constitution, and ASX Listing Rule 14.4, and being eligible, offers himself for election, be re-appointed as a Director of the Company.”

Resolution 6 – Re-appointment of Mr Stuart Hall as a Director of the Company

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

“That Mr Stuart Hall, who ceases to hold office in accordance with Rule 3.3(a) of the Company’s Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for election, be re-appointed as a Director of the Company.”

Resolution 7 – Appointment of Auditors of the Company

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

“That BDO Audit (NSW-VIC) Pty Ltd being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the auditor of the Company and that the Directors be authorised to agree their remuneration.”

Voting Exclusions

There are no voting exclusions, other than the voting exclusion applicable to directors and other key management personnel of the Company and their closely related parties.

Accompanying Explanatory Statement

The Explanatory Statement accompanying this Notice of Annual General Meeting is incorporated in and forms part of this Notice of Annual General Meeting.

Shareholders are referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice of Annual General Meeting and Explanatory Statement.

Voting by Proxy

- (a) Right to appoint - Each shareholder has the right to appoint a proxy to attend and vote for the shareholder at this meeting.
- (b) Two proxies - To enable a shareholder to divide their voting rights a shareholder may appoint two proxies. Where two proxies are appointed:
 - i) a separate Proxy Form should be used to appoint each proxy, and

- ii) the Proxy Form may specify the proportion, or the number of votes that the proxy may exercise, and if it does not do so the proxy may exercise half of the votes.
- (c) Who may be a proxy - A shareholder can appoint any other individual or body corporate to be their proxy. A proxy need not be a shareholder of the Company. The proxy appointed can be described in the Proxy Form by an office held, for example, 'the Chair of the Meeting'.
- (d) Signatures of individuals - In the case of shareholders who are individuals, the Proxy Form must be signed:
- i) if the shares are held by one individual, by that shareholder, or
 - ii) if the shares are held in joint names, by any one of them.
- (e) Signatures on behalf of companies - in the case of shareholders who are companies, the Proxy Form must be signed:
- i) if it has a sole director who is also sole company secretary, by that director (and stating that fact next to, or under, the signature on the Proxy Form), or
 - ii) in the case of any other company, by either two directors or a director and company secretary.
- The use of the common seal of the company, in addition to those required signatures, is optional.
- (f) Other authorised person - If the person signing the Proxy Form is doing so under power of attorney, or is an officer of a company outside of (e) above but authorised to sign the Proxy Form, the power of attorney or other authorisation (or a certified copy of it), as well as the Proxy Form, must be received by the Company by the times and date at the place in (g) below.
- (g) Lodgement place and deadline - A Proxy Form accompanies this notice. To be effective, Proxy Forms (duly completed and signed) must be received by the Company, not later than 12.00 pm 26 November 2011. Proxies may be lodged:
- by hand to GBM Gold Ltd, 2H Thistle Street, Golden Square, 3555, or
 - i) by post to GBM Gold Ltd, PO Box 2709, Bendigo, Victoria, 3552, or
 - ii) by facsimile to +613 5444 0036, together with a business hours telephone number.
- (h) A Proxy Form accompanies and forms part of this Notice of General Meeting.

“Snap-shot” Time

The Directors have determined that all Shares that are quoted on ASX at 7.00pm AEDT on 29 November 2011 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative. An Appointment of Corporate Representative form is enclosed if required.

By Order of the Board of Directors

Ian Smith

Chairman of the Board

GBM Gold Ltd

27 October 2011

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EXPLANATORY STATEMENT

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting. This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

Financial Statements and Reports

The Financial Report, Directors' Report and Auditor's Report for the Company for the year ending 30 June 2011 will be laid out before the meeting. These reports can also be accessed on the Company's website at www.gbmgold.com.au.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company.

Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the conduct of the audit and the preparation and content of the Auditor's report.

Resolution 1 – Adoption of Remuneration Report

Section 298 of the Corporations Act requires that the annual Directors' Report contains a Remuneration Report prepared in accordance with section 300A of the Corporations Act.

By way of summary, the Remuneration Report:

- (a) discusses the Company's remuneration policy and the process for determining the remuneration of its executive officers and employees;
- (b) addresses the relationship between the Company's remuneration policy and the performance of the Company; and
- (c) sets out remuneration details for each Director and each of the executive officers of the Company named in the Remuneration Report for the financial year ended 30 June 2011.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. Pursuant to section 250R(3), the vote on this resolution is advisory only and does not bind the Board or the Company.

The Board is submitting its Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution.

The Remuneration Report is set out in the Company's 2011 Annual Report.

Appropriate time will be allowed for consideration of the Remuneration Report.

Directors and other Key Management Personnel of the Company and their closely related parties are excluded from voting on this resolution. There are no other voting exclusions applicable to this resolution.

The definition of "closely related parties" includes certain family members, dependants and companies controlled by the Key Management Personnel and is defined in section 9 of the Corporations Act.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be

required to vote at the second of those AGMS on a resolution that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director and CEO) must be put up for re-election.

Any undirected proxies held by the Chairman of the meeting, other directors or other Key Management personnel or any of their closely related parties will not be voted on this resolution.

Resolution 2 – Re-appointment of Mr Ian Smith as Director of the Company

ASX Listing Rule 14.4 provides that a Director must not hold office (without re-election) past the third annual general meeting following the director's appoint or 3 years, whichever is longer.

Mr Ian Smith was appointed by resolution of the Shareholders at the Company's Annual General held in 2006 and re-elected in 2008. Accordingly Mr Ian Smith ceases to hold office at the end of this Annual General Meeting pursuant to Rule 3.6(b) of the Constitution and ASX Listing Rule 14.4. Mr Ian Smith, being eligible, offers himself for re-election as a Director of the Company.

Details of the qualifications and experience of Mr Smith are set out in the Company's 2011 Annual Report.

Other than Mr Ian Smith, the Directors unanimously recommend that Shareholders vote in favour of this resolution. Mr Ian Smith makes no recommendation.

Resolution 3 – Re-appointment of Mr John Cahill as Director of the Company.

Mr John Cahill was appointed Managing Director of the Company in June 2007, and has held that position until June 2011.

Mr John Cahill, having ceased being Managing Director of the Company, ceases to hold office at the end of this Annual General Meeting pursuant to Rule 3.6(b) of the Constitution and ASX Listing Rule 14.4. Mr John Cahill, being eligible, offers himself for re-election as a Director of the Company.

Details of the qualifications and experience of Mr John Cahill are set out in the Company's 2011 Annual Report.

Other than Mr John Cahill, the Directors unanimously recommend that Shareholders vote in favour of this resolution. Mr John Cahill makes no recommendation.

Resolution 4 – Re-appointment of Paul H. K. Chan as Director of the Company.

The Company announced the appointment by the Board of Mr Paul H. K. Chan as a Director of the Company on 17 October 2011.

ASX Listing Rule 14.4 states that a director appointed to fill a casual vacancy, or as an addition to the board, must not hold office (without re-election) past the next annual general meeting of the entity. Rule 3.3 of the Constitution states that the Board may appoint a person to be a Director at any time except during a general meeting and any Director so appointed automatically retires at the next Annual General Meeting and is eligible for re-election.

Accordingly Mr Paul H. K. Chan ceases to hold office at the end of this Annual General Meeting pursuant to ASX Listing Rule 14.4 and Rule 3.3 of the Constitution. Mr Paul H. K. Chan, being eligible, offers himself for re-election as a Director of the Company.

Qualifications and Experience

Mr Paul H. K. Chan has accumulated over 30 years of experience investing and operating businesses in China, Asia and the US. With his extensive business background and knowledge in the Asia Pacific region, Mr Paul H. K. Chan joined Prestige International Investment Ltd, an investment banking firm based in the US, in 1996 in charge of project investment in Asia.

Mr Paul H. K. Chan joined Yorkshire Capital Limited as Project Director in 2001. He has been responsible for accessing project feasibility, corporate restructuring, business and financial advisory for various projects. In recent years, Mr Paul H. K. Chan has been focusing on gold mining projects and involved in reviewing, accessing, structuring, advising and fund raising for mining projects in base metals and other natural resources worldwide.

Other than Mr Paul H. K. Chan, the Directors unanimously recommend that Shareholders vote in favour of this resolution. Mr Paul H. K. Chan makes no recommendation.

Resolution 5 – Re-appointment of Mr Andy Lai as Director of the Company.

The Company announced the appointment by the Board of Mr Andy Lai as a Director of the Company on 17 October 2011.

ASX Listing Rule 14.4 states that a director appointed to fill a casual vacancy, or as an addition to the board, must not hold office (without re-election) past the next annual general meeting of the entity. Rule 3.3 of the Constitution states that the Board may appoint a person to be a Director at any time except during a general meeting and any Director so appointed automatically retires at the next Annual General Meeting and is eligible for re-election.

Accordingly Mr Andy Lai ceases to hold office at the end of this Annual General Meeting pursuant to ASX Listing Rule 14.4 and Rule 3.3 of the Constitution. Mr Andy Lai, being eligible, offers himself for re-election as a Director of the Company.

Qualifications and Experience

Mr Andy Lai, Managing Director of Yorkshire Capital Limited, a merchant bank in operation since 1993, has been responsible for numerous IPO and RTO cases worldwide and numerous M&A and financing projects with total value over US\$3 billion. In recent years, his focus is in mining and resources business covering financing, investment and M&A initiatives. He has an MBA from the Chinese University of Hong Kong.

Other than Mr Andy Lai, the Directors unanimously recommend that Shareholders vote in favour of this resolution. Mr Andy Lai makes no recommendation.

Resolution 6 – Re-appointment of Mr Stuart Hall as Director of the Company.

The Company announced the appointment by the Board of Mr Stuart Hall as a Director of the Company on 17 October 2011. The Company announced Mr Stuart Hall's appointment as secretary of the Company on 29 January 2011. Mr Stuart Hall will continue to hold that position in addition to taking on the role of Director of the Company if elected pursuant to this resolution.

ASX Listing Rule 14.4 states that a director appointed to fill a casual vacancy, or as an addition to the board, must not hold office (without re-election) past the next annual general meeting of the entity. Rule 3.3 of the Constitution states that the Board may appoint a person to be a Director at any time except during a general meeting and any Director so appointed automatically retires at the next Annual General Meeting and is eligible for re-election.

Accordingly Mr Stuart Hall ceases to hold office at the end of this Annual General Meeting pursuant to ASX Listing Rule 14.4 and Rule 3.3 of the Constitution. Mr Stuart Hall, being eligible, offers himself for re-election as a Director of the Company.

Qualifications and Experience

Mr Stuart Hall has been a member of the Institute of Chartered Accountants in Australia (CA) since 1984. He holds a Bachelor of Business (Accounting) Swinburne University 1980.

Mr Stuart Hall has been a Partner/Director of the accounting firm Lipins Partners Pty Ltd and antecedent firms since 1984. During this period Mr Stuart Hall has specialised in business advisory, management accounting, tax advice and compliance. He has also held company directorships/secretarial positions with a number of small to medium enterprises in Australia covering many industries including manufacturing service, mining and general insurance. His experience has included maintaining the compliance requirements of various corporations with ASIC.

Other than Mr Stuart Hall, the Directors unanimously recommend that Shareholders vote in favour of this resolution. Mr Stuart Hall makes no recommendation.

Resolution 7 – Appointment of auditor of the Company

The Corporations Act requires the Company to obtain the approval of members in general meeting to the appointment of the auditor. The Directors propose that BDO Audit (NSW-VIC) Pty Ltd (“BDO”) as the Company’s auditor. The notice of nomination of BDO as auditor of the Company is provided to the shareholders with this Notice.

If approval is received, BDO will commence as auditor of the Company from the date of this meeting, 30 November 2011.

BDO has agreed to act as auditor of the Company, subject to the consent of the ASIC to the resignation of the current auditor, Richmond Sinnott & Delahunty.

Richmond, Sinnott & Delahunty has been the auditor of the Company for many years and the Directors would like to thank them publicly for their work over that time.

The Directors unanimously recommend that Shareholders vote in favour of this resolution.

Glossary

AEDT means Australian Eastern Daylight Time, Co-ordinated Universal Time (“UTC”) Time (GMT+11)

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

Board means the board of Directors.

Bonus Options mean an option to acquire an ordinary fully paid share in the capital of the Company at an exercise price of \$0.05 on or before of 31 March 2012 and otherwise on the terms and conditions set out in this Notice.

Business Day means a trading day on the financial market operated by ASX.

Constitution means the constitution of the Company.

Company means GBM Gold Ltd (ACN 119 956 624).

Corporations Act means Corporations Act 2001 (Cth).

Directors mean directors of the Company.

Explanatory Statement means this explanatory statement.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

Listing Rules means the Listing Rules of ASX Limited.

Notice means the Notice of Annual General Meeting accompanying this Explanatory Statement.

Resolution means a resolution contained in the Notice.

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

Shareholder or **member** means a registered member of the Company.

GBM GOLD LTD

ACN 119 956 624, 2H Thistle Street, Bendigo, Victoria, 3550.

ANNUAL GENERAL MEETING

To be held at the 2H Thistle Street, Golden Square, Victoria 3555 at 12:00pm on 30 November 2011.

 Please read under 'VOTING BY PROXY', at the end of the Notice of Annual General Meeting, as to completion and lodgement of this Proxy Form.

I/We
of
being a Member of GBM Gold Ltd ACN 119 956 624 (Company) hereby appoint
..... of
..... as my/our proxy or
failing him or her the chairman of the general meeting of the Company to be held on 30
November 2011 at 2H Thistle Street, Golden Square, Victoria 3555 to vote for me/us at the
meeting and at any adjournment of it.

If you wish to appoint two proxies state here the percentage or number of your voting rights applicable to this form:

percent or number of shares

Tick the appropriate box to indicate your voting instructions.

Resolution	For	Against	Abstain
1. Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Resolution 2 - Re-appointment of Mr Ian Smith as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Resolution 3 - Re-appointment of Mr John Cahill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Resolution 4 - Re-appointment of Mr Paul H. K. Chan as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Resolution 5 - Re-appointment of Mr Andy Lai as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Resolution 6 - Re-appointment of Mr Stuart Hall as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Resolution 7 – Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I/We understand that if I/we have not directed my/our proxy how to vote, my/our proxy may vote or abstain from voting as he or she thinks fit. The Chairman of the Meeting intends to vote undirected proxies **in favour** of each item of business.

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Important Information in respect of Resolution 1



If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy in respect of a resolution, please place a mark in the box.

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of Resolution 1 and that votes cast by the Chairman of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

DATED

If the shareholder is an individual:

Signature

If the shareholder is a company:
Affix common seal (if required by Constitution)

Director/Sole Director and Secretary

Director/Secretary

Print name

Print name

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Appointment of Corporate Representative
Section 250D of the Corporations Act 2001

Shareholder Details

This is to certify that by a resolution of the directors of:

..... (Shareholder Company),
[insert name of shareholder company]

the Shareholder Company has appointed:

.....,
[insert name of corporate representative]

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that company at the meeting of the members of GBM Gold Ltd to be held on Wednesday, 30 November 2011, and at any adjournments of that meeting.

DATED 2011

Please sign here

Executed by the Shareholder Company
in accordance with its constituent documents

)
)

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

)
)

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

Instructions for Completion

1. Insert name of appointor Shareholder Company and the name or position of the appointee (eg "John Smith" or "each director of the Shareholder Company").
2. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
3. Print the name and position (eg director) of each company officer who signs this Certificate on behalf of the company.
4. Insert the date of execution where indicated.
5. Send or deliver the Certificate to GBM Gold Ltd's registered office at 2H Thistle Street, Golden Square, Victoria, 3555, or fax the Certificate to the registered office at +61 3 5444 0036 or bring it to the Annual General Meeting.