



GBM GOLD
LTD

ASX/ MEDIA RELEASE

1/02/ 2012

GBM enters conditional agreement to issue new shares at 2.5c to satisfy liabilities

GBM Gold advises that United Bright Investments Limited (a B.V.I. company) ("United Bright") has agreed to vary ("Variation") the Further Funding Agreement ("Funding Agreement") dated 31 May 2011 as follows :

- Issue of 70,488,000 GBM fully paid ordinary shares at 2.5c to such persons as directed by United Bright in return for the release of any requirement to repay the sum of \$1,762,200.
- The mutual release and discharge of GBM Gold and United Bright of all claims, obligations and liabilities arising under or in connection with the Funding Agreement or prior correspondence or discussions with the parties.

The Variation is subject to GBM shareholder approval and compliance with the requirements of the Corporations Act, ASX Listing Rules and GBM Gold's constitution in performing its obligations under the Variation.

"We are pleased to announce that this agreement was reached last night " said executive Chairman Ian Smith "This further strengthens the GBM balance sheet, by reducing non-equity liabilities"

A Notice of Meeting is being drafted and will be supplied to relevant authorities for vetting. Once approved it will be printed and dispatched to shareholders. It is expected to hold the meeting to consider approval later in March.

In light of the Variation, and the need to seek approval of GBM Gold's shareholders, United Bright has agreed to extend the repayment date (previously 31 January 2012) under the Funding Agreement to the earlier of the day after the meeting to approve the Variation or 5 April 2012.

ENDS

PO BOX 2709 · BENDIGO VIC 3550 · P: +61 3 5445 2300 · F: +61 3 5444 0036 · E: INFO@GBMGOLD.COM.AU · WWW.GBMGOLD.COM.AU · ABN 59 119 956 624 · ASX:GBM

A MEMBER OF THE GBM GOLD GROUP

For personal use only

For personal use only

About GBM Gold Ltd (ASX: GBM)

GBM Gold Ltd (GBM) is focused on building a strong gold production base from what are at present 5 gold projects in Central Victoria, Australia.

Within each of these 5 projects - Inglewood, Goldsbrough, Beavis-ISG, Fiddlers Creek-Avoca and Wilsons Hill - are one or more granted Exploration or Mining licences, each containing a number of well defined Resource blocks and/or Exploration Targets. The various projects are at a mix of development stages, with some projects in production and others in later or earlier analysis, exploration or development phases.

GBM has highly experienced teams focused on the requirements of its operating areas, a centralised geology team with strong background in the Central Victoria style of mineralisation as well as Bendigo based management, finance and administration personnel.

For more information please visit the Company website: www.gbmgold.com.au