

Notice of Extraordinary General Meeting and Explanatory Statement

The Extraordinary General Meeting of

GBM GOLD LTD

ABN 59 119 956 624

will be held on

4 April 2012

at

*2H Thistle Street
Golden Square
Victoria, 3555*

This Notice of Extraordinary 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.

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ACTION REQUIRED BY SHAREHOLDERS

Step 1

Read the notice of Extraordinary 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 Square, Victoria, 3555 on 4 April 2012 commencing at 12:00pm (AEDT); or
- completing and returning the enclosed proxy form so as to be received by the Company at its registered office by 12:00pm (AEDT) on 2 April 2012.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of Shareholders of GBM Gold Ltd ("Company") will be held at 2H Thistle Street, Golden Square, Victoria, 3555 on 4 April 2012 commencing at 12:00pm (AEDT). The Explanatory Statement which accompanies and forms part of this Notice of Extraordinary General Meeting describes the various matters to be considered.

BUSINESS

Resolution 1 – Approval of Issue of Shares to Exempt Persons

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

"That, for the purpose of ASX Listing Rule 7.1, and all other purposes, approval is given for the issue and allotment of up to 200,000,000 Shares at an issue price of no less than \$0.025 per Share to such Exempt Persons as may be identified by the Board (subject to any necessary and applicable shareholder or regulatory approvals required) on the terms and conditions set out in the Explanatory Statement".

Resolution 2 – Approval of Issue of Shares to Exempt Persons under the variation to the Third Funding Agreement with United Bright Investments Limited

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

"That, for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11, and all other purposes, approval is given for the issue of 70,488,000 Shares at an issue price of \$0.025 per Share to the Exempt Persons described, and on the terms and conditions set out, in the Explanatory Statement".

Voting Exclusion Statement

For the purposes of:

- 1 **Resolution 1** (Listing Rule 7.3) the Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and any person who might obtain a benefit in respect of the proposed issue (except a benefit solely in the capacity as a holder of ordinary securities) and any of their associates.
- 2 **Resolution 2** (Section 224 of the Corporations Act, Listing Rule 10.13) the Company will disregard any votes cast on this resolution by or on behalf of United Bright, People Honour, Golden Nugget Resources, Swift Chance Holdings and Belvin Investments and any person who might obtain a benefit in respect of the proposed issue and allotment of Shares (except a benefit solely in the capacity as a holder of ordinary securities) and any of their associates.

The Company, however, need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the chairperson of 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.

Accompanying Explanatory Statement

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

Shareholders are referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice of Extraordinary 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 12:00pm (AEDT) 2 April 2012. Proxies may be lodged:
by hand to GBM Gold Ltd, 2H Thistle Street, Golden Square, Victoria, 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 (Sydney time) on 3 April 2012 shall, for the purposes of determining voting entitlements at the Extraordinary 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

21 February 2012

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 Extraordinary General Meeting. This Explanatory Statement should be read in conjunction with the Notice of Extraordinary General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

Introduction and Background

GBM Gold Ltd ("Company") is seeking to advance the production of Gold at the Maxwell Mine and Mill at the Company's Inglewood site and to provide working capital for the Company.

In the past twelve months the Company has, alongside its ordinary operations, been developing funding opportunities. An integral part of these initiatives was developed through United Bright which provided loans to the Company under three Funding Agreements, under which United Bright, and other parties introduced by United Bright, were entitled (subject to Shareholder Approval) to convert the loan principal and interest to Shares and Bonus Options (the conversion right was valid until 15 September 2011 (subject to the parties agreeing to another date)).

The loan principal and interest under the first two Funding Agreements was converted to Shares and Bonus Options on 8 August 2011 (satisfying the Company's obligation to repay those loans). The relevant Shares and Bonus Options were issued and allotted directly to the various parties introduced by United Bright on conversion.

Moneys remain outstanding under the third Funding Agreement with United Bright.

The Company and United Bright have, with effect from 31 January 2012, agreed to vary the third Funding Agreement (**Variation**) to:

1. extend the repayment date to:
 - a. if this meeting is held on or before 31 March 2012 and Resolution 2 is not duly passed at this meeting, the date which is one business day after the date of this meeting; or
 - b. otherwise, 5 April 2012,(the **new repayment date**); and
2. subject to the approval of Shareholders at this meeting and certain other procedural requirements under the Variation:
 - a. provide for United Bright to convert the outstanding loan principal under the third Funding Agreement into Shares and for those Shares to be issued at an issue price of \$0.025 per Share to parties introduced by United Bright (details of whom are given below in respect of Resolution 2);
 - b. mutually release and forever discharge each other from all claims, obligations and liabilities arising under or in connection with the third Funding Agreement or prior correspondence or discussions between the parties (whether such claims, obligations and liabilities arise pursuant to contract, statute or otherwise);
 - c. provide for United Bright to waive any right to receive accrued interest payable under the third Funding Agreement; and

- d. provide for the Company to pay \$300,000 to United Bright, with such payment obligation to be satisfied by the Company issuing 12,000,000 Shares at an issue price of \$0.025 per Share to another party introduced by United Bright (details of whom are given below in respect of Resolution 2).

The Company wishes to enter into these transactions to strengthen the balance sheet of the Company.

If approval is not given under Resolution 2 in accordance with this notice of meeting, the Company will become obligated, subject to any rights reserved by the Company under the terms of the Variation if approval is not given at this meeting, to repay the outstanding loan principal of \$1,462,000 and interest outstanding on the new repayment date.

The Company also wishes to refresh its capacity to issue Shares to give it flexibility in pursuing funding opportunities for the Company to advance the production of gold at the Company's Maxwell Mine and Mill at the Company's Inglewood site.

Resolution 1 - Approval of Issue of Shares and to Exempt Persons

As part of the Company's fundraising initiatives designed to assist the Company to advance gold production at the Maxwell Mine and Mill at the Company's Inglewood site, the Company seeks to have the ability to place up to 200,000,000 Shares at an issue price of no less than \$0.025 per Share to Exempt Persons identified by the Board

The Board is conscious of the takeovers laws and, in particular, the prohibition against any person acquiring a relevant interest in Shares in the Company if the transaction would result in the person's (or someone else's) voting power in the Company increasing from 20% or below to more than 20% or from a starting point that is above 20% and below 90% (except by certain exempted means, such as with shareholder approval in accordance with the takeover laws). The Board has determined that no placements to investors pursuant to the proposed Resolution 1 shall be made to any person which would require the approval of Shareholders pursuant to the takeover or related party provisions of the Corporations Act, the Listing Rules, or any other provision. In the event that the Board identifies an investor seeking to be issued Shares that would otherwise contravene the Corporations Act or Listing Rules, the Board will seek to obtain the further approval of Shareholders at that time as necessary.

ASX Listing Rule 7.1

Listing Rule 7.1 prohibits the Company issuing securities (including options to acquire shares) in excess of 15% of its issued capital within period of 12 months without Shareholder approval. The proposed issue of Shares to Exempt Persons as contemplated above would result in the Company exceeding the 15% limit and, accordingly, the Company seeks Shareholder approval pursuant to Listing Rule 7.1.

Listing Rule 7.3 sets out a number of matters which must be included in a notice of meeting seeking approval under Listing Rule 7.1. For the purposes of Listing Rule 7.3, the following information is provided in relation to the issue of shares under Resolution 1:

- Up to 200,000,000 Shares may be issued and allotted.
- The minimum price at which the shares are to be issued is no less than \$0.025 per Share.
- The Shares rank equally with existing Shares.
- The Shares are to be issued to Exempt Persons. Allottees are to be determined by the Board.
- The funds raised by the issue are to be used predominantly to advance the production of gold at the Maxwell Mine and Mill at the Inglewood Site and to provide working capital for the Company.

- The shares are to be issued and allotted on or before 3 months from the date of this meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).
- A voting exclusion statement is included in this Notice.

The Board may all participate in the proposed issue and accordingly give no recommendation in respect of this Resolution.

Resolution 2 – Issue of Shares to Exempt Persons under the variation to the third Funding Agreement with United Bright Investments Limited

As part of the Company's fundraising initiatives designed to assist the Company to advance gold production at the Maxwell Mine and Mill at the Company's Inglewood site, the Company entered into a third Funding Agreement on 31 May 2011 with United Bright, a company registered in the British Virgin Islands. The outstanding loan principal under the third Funding Agreement is \$1,462,200. The original repayment date for the loan was 31 January 2012. Interest is accruing on the loan at 8% per annum.

Under the third Funding Agreement, and as described for the purposes of Resolution 2 in the notice of meeting for the extraordinary general meeting held 30 June 2011, United Bright had the right, subject to Shareholder approval, to convert the outstanding loan principal and accrued interest into Shares at a price of \$0.025 per Share ("Conversion Shares") with one Bonus Option attaching to each 2 Shares converted.

The Bonus Options were to give the option holder a right to convert to Shares in the Company at an exercise price of \$0.05 per Share on or before 31 March 2012.

The right to convert the loan principal and interest to Conversion Shares plus Bonus Options expired on 15 September 2011.

The parties have various disputes in respect of the third Funding Agreement and, as discussed in the **Introduction** to this Explanatory Statement, have agreed to extend the date by which the third Funding Agreement is to be repaid, and, subject to Shareholder approval, to settle their outstanding issues by the issue of Shares and mutual release of obligations and claims.

If this Resolution is not approved, then the Company, subject to any rights reserved by the Company under the terms of the Variation if approval is not given at this meeting, will become obliged to repay the outstanding loan principal and interest under the third Funding Agreement on the new repayment date.

United Bright and the Company have agreed, subject to Shareholder approval, to the conversion of the outstanding loan principal under the third Funding Agreement (in the total amount of \$1,462,200) to 58,488,000 Shares at an issue price of \$0.025 per Share without the Bonus Options, with such Shares to be issued and allotted to such persons directed by United Bright. United Bright has directed the Company to issue and allot the Shares to the following persons in the following proportions:

- Golden Nugget Resources is to be issued 16,000,000 Shares.
- Swift Chance Holdings is to be issued 16,400,000 Shares; and
- Belvin Investments is to be issued 26,088,000 Shares.

United Bright and the Company have also agreed, subject to Shareholder approval, and as part of the variation discussed in the **Introduction**, to the payment of \$300,000 to United Bright with such payment obligation to be satisfied by the Company issuing 12,000,000 Shares at an issue price of \$0.025 per Share to such person as United Bright may direct.

United Bright has directed the Company to issue and allot the 12,000,000 Shares to People Honour.

The Board therefore seeks approval to issue, in aggregate, 70,488,000 Shares to such parties.

Listing Rule 10.11

Listing Rule 10.11 requires the Company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to either (a) a related party of the Company or (b) a person whose relationship with the Company or a related party of the Company is, in ASX's opinion, such that approval should be obtained.

Mr Paul Chan is a director and related party of the Company. He is also the sole director and shareholder of United Bright. As a consequence, United Bright is a related party of the Company. The Board considers that, because the Shares to be issued under this Resolution are to be issued to such Exempt Persons described below at the direction of a related party of the Company (ie United Bright), out of an abundance of caution, it is considered necessary to obtain Shareholder approval for the purposes of Listing Rule 10.11.

If approval is given by Shareholders for the purposes of Listing Rule 10.11, approval for the purposes of Listing Rule 7.1 is not required (see Listing Rule 7.2 - Exception 14).

For the purposes of Listing Rule 10.13 the following additional information is provided in relation to the issue of shares pursuant to Resolution 2:

- 70,488,000 Shares will be issued and allotted.
- The Shares will be issued on or before one month from the date of this meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it anticipated that the allotment will occur on one date.
- The Shares are to be issued and allotted to the following Exempt Persons in the following proportions:
 - Golden Nugget Resources is to be issued 16,000,000 Shares;
 - Swift Chance Holdings is to be issued 16,400,000 Shares;
 - Belvin Investments is to be issued 26,088,000 Shares; and
 - People Honour is to be issued 12,000,000 Shares.
- Mr Paul Chan is a director of the Company and United Bright and exercises control over United Bright.
- The Shares are to be issued at a price of \$0.025 per Share.
- The Shares will rank equally with existing Shares on issue.
- No funds will be raised by the issue, but the conversion of debt to equity will strengthen the Company's balance sheet which will facilitate Company's funding objectives to advance the production of gold at the Maxwell Mine and Mill at the Inglewood Site and the development of other ongoing opportunities.
- A voting exclusion statement is included in the Notice.

Shareholders should also refer to the explanatory material provided for the purposes of Chapter 2E of the Corporations Act below.

Chapter 2E of the Corporations Act

Pursuant to Chapter 2E of the Corporations Act, a public company cannot give a “financial benefit” to a related party unless one of the exceptions set out in sections 210 to 216 of the Corporations Act apply or shareholders have, in general meeting, approved the giving of that financial benefit to the related party.

The Board’s view is that Shareholder approval is arguably required pursuant to section 208 of the Corporations Act because the payment by the Company of \$300,000 to United Bright and satisfaction of that payment by the issue of 12,000,000 Shares to People Honour (as directed by United Bright) under Resolution 2 may involve the giving of a financial benefit to a related party of the Company.

The Board’s view is that Shareholder approval may also be required under section 208 of the Corporations Act because the issue of 58,488,000 Shares to Golden Nugget Resources, Swift Chance Holdings and Belvin Investments (as directed by United Bright), and the release being given by the Company in favour of United Bright (in consideration of an equivalent release being given by United Bright in favour of the Company and as discussed in more detail in the **Introduction**), may involve the giving of a financial benefit to a related party of the Company (ie United Bright).

There is an exception from the shareholder approval requirement under Chapter 2E of the Corporations Act for arm’s length benefits, and the Board thinks it likely that this exception would apply in this case. However, out of an abundance of caution, approval is also sought for the purposes of Chapter 2E of the Corporations Act.

The following information is provided for the purposes to sections 217 to 227 of the Corporations Act:

- The related party to whom the \$300,000 payment is to be made is United Bright (with such payment to be satisfied wholly by the issue of 12,000,000 Shares to such person directed by United Bright. United Bright has directed the Company to issue the Shares to People Honour).
- United Bright engaged People Honour to assist it to arrange loans to be made to United Bright. It is in settlement of fees owed to People Honour under this engagement that United Bright is now directing the 12,000,000 Shares be issued to People Honour. The sole director and sole shareholder of People Honour is Tam Cheuk Ling.
- United Bright has informed the Company that the issue of these Shares to People Honour will discharge in full United Bright’s obligations to People Honour and that United Bright will not have a relevant interest in the Shares to be issued to People Honour.
- The payment of the \$300,000 is part of the consideration provided by the Company for the release of the Company from the obligation to pay interest accrued under the third Funding Agreement and to settle outstanding issues between the Company and United Bright arising under the third Funding Agreement.
- The related party to whom the outstanding loan principal under the third Funding Agreement (in the total amount of \$1,462,200) is to be repaid is United Bright (with such repayment to be satisfied wholly by the issue of 58,488,000 Shares to such persons directed by United Bright. United Bright has directed the Company to issue the Shares to:
 - Golden Nugget Resources is to be issued 16,000,000 Shares;
 - Swift Chance Holdings is to be issued 16,400,000 Shares; and

- Belvin Investments is to be issued 26,088,000 Shares).
- United Bright (with the assistance of People Honour) received loans from Golden Nugget Resources, Swift Chance Holdings and Belvin Investments. United Bright has informed the Company that the loans were made to United Bright under written agreements on commercial arm's length terms. Specifically, the loans were made to United Bright on the basis that:
 - the loan principal was to be repaid on or before 31 January 2012; and
 - interest was to accrue on the loan principal outstanding from time to time at a rate of 6% per annum, payable along with the principal upon repayment.
- It is in settlement of amounts owed to Golden Nugget Resources, Swift Chance Holdings and Belvin Investments under these loan arrangements that United Bright is now directing the 58,488,000 Shares be issued to Golden Nugget Resources, Swift Chance Holdings and Belvin Investments. The sole director and sole shareholder of each of these entities is:
 - Golden Nugget Resources – Wai Lai Yung;
 - Swift Chance Holdings – Tin Mei Lee; and
 - Belvin Investments – Wai Kit Yung Belinda.
- United Bright has informed the Company that the issue of these Shares to Golden Nugget Resources, Swift Chance Holdings and Belvin Investments will discharge in full United Bright's obligations to Golden Nugget Resources, Swift Chance Holdings and Belvin Investments, and United Bright will not have a relevant interest in the Shares to be issued to Golden Nugget Resources, Swift Chance Holdings and Belvin Investments.
- The issue of the 58,488,000 Shares is consideration for United Bright applying the loan principal outstanding under the third Funding Agreement (in the amount of \$1,462,200) towards subscription for the 58,488,000 Shares.
- Swift Chance Holdings, Belvin Investments and People Honour do not currently hold Shares in the Company, and if Resolution 2 is passed, then they will hold the following Shares in the following proportions:
 - Swift Chance Holdings will hold 16,400,000 Shares;
 - Belvin Investments will hold 26,088,000 Shares; and
 - People Honour will hold 12,000,000 Shares in the Company.
- Golden Nugget Resources currently holds 10,000,000 Shares in the Company, and if Resolution 2 is passed, then Golden Nugget Resources will hold 26,000,000 Shares in the Company.
- If Shareholders approve the issue of 70,488,000 Shares to the Exempt Persons under Resolution 2, the effect will be to dilute the shareholding of existing Shareholders by approximately 13.66% based on the number of Shares on issue as at the date of this Notice.
- In the 12 months before the date of this Notice, the highest share price was \$0.023 at the close of trading on 21 - 23 February 2011, 4 April 2011, 11 May 2011, 19 May 2011, 20 May 2011 3 June 2011, 14 July 2011 and 26 July 2011 and the lowest share price was \$0.014 on 24 November 2011 The last trading price per Share as at the date of this Notice was \$0.018 on 1 March 2012.
- The overall nature and effect of approval of **Resolution 2** will be that United Bright will release the Company from:

- the obligation to repay the outstanding loan principal (in the amount of \$1,462,200);
- the obligation to pay interest accrued under the third Funding Agreement; and
- all claims, obligations and liabilities owed to United Bright arising under or in connection with the third Funding Agreement or prior correspondence or discussions between the parties (whether such claims, obligations and liabilities arise pursuant to contract, statute or otherwise),

in consideration of the issue of, in total, 70,488,000 Shares and the Company releasing and forever discharging United Bright from all claims, obligations and liabilities owed to the Company arising under or in connection with the third Funding Agreement or prior correspondence or discussions between the parties (whether such claims, obligations and liabilities arise pursuant to contract, statute or otherwise).

Mr Chan/United Bright has confirmed to the Company that none of People Honour, Golden Nugget Resources, Swift Chance Holdings or Belvin Investments is an associate of United Bright in relation to the Company, and that they do not have, and nor do they propose to enter into, any arrangement, understanding or agreement with any of People Honour, Golden Nugget Resources, Swift Chance Holdings or Belvin Investments in relation to the Company or its affairs. There are no common shareholders or officers between United Bright and People Honour, Golden Nugget Resources, Swift Chance Holdings or Belvin Investments. As a consequence, Mr Chan and United Bright's voting powers in the Company will be diluted as a result of the proposed issues of Shares to People Honour, Golden Nugget Resources, Swift Chance Holdings and Belvin Investments (ie from 15.3% to 13.5%, or less if Shares are issued under Resolution 1).

For this reason, the Board has no reason to believe that separate shareholder approval under Item 7 of Section 611 of the Corporations Act is required in relation to the proposed issue of Shares to People Honour, Golden Nugget Resources, Swift Chance Holdings and Belvin Investments.

In addition, it is a term of the Variation discussed in the **Introduction** that United Bright shall not direct the Company to issue Shares under Resolution 2 to any person to whom the issue of Shares would cause the Company to breach any provision of the Corporations Act or the ASX Listing Rules. If Shareholder approval was required under Item 7 of Section 611 of the Corporations Act (ie because the representations above are found to be incorrect), then this would be a breach of the Corporations Act, and cause United Bright to breach a term of the Variation to the third Funding Agreement.

Conclusion

Mr Paul Chan has a material personal interest in the outcome of Resolution 2 and accordingly does not provide a recommendation in respect of the Resolution.

The other Directors who do not have a material personal interest in the outcome of Resolution 2 recommend that Shareholders approve Resolution 2 as they are of the view issue of Shares to the Exempt Persons identified above is reasonable in order to further strengthen the Company's balance sheet, and to facilitate the Company's funding objectives to advance the production of gold at the Company's Maxwells Mine and Mill Site and the development of other ongoing opportunities.

The Board is not aware of any other information that would be reasonably required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 2.

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).

Belvin Investments means Belvin Investments Limited, a company incorporated in the British Virgin Islands.

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.

Exempt Persons means persons to whom offers are exempt from disclosure requirements under the Corporations Act because of section 708 of the Corporations Act or because the offers are not received in Australia. Exempt Persons include Sophisticated, Professional and Institutional Investors.

Explanatory Statement means this explanatory statement.

Funding Agreements means the funding agreements between the Company and United Bright Investments Limited (B.V.I.).

Golden Nugget means Golden Nugget Resources Limited, a company incorporated in the British Virgin Islands.

Listing Rule and **Listing Rules** means one or more of the official Listing Rules of ASX.

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

People Honour means People Honour Limited, a company incorporated in the British Virgin Islands.

Resolution means a resolution contained in the Notice.

Resource has the same meaning as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

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

Shareholder or **member** means a shareholder entered on the register of members of the Company.

Sophisticated, Professional and Institutional Investors means persons to whom disclosure is not required under the Corporations Act.

Swift Chance Holdings means Swift Chance Holdings Limited, a company incorporated in the British Virgin Islands.

United Bright means United Bright Investments Limited of PO Box 957, Road Town, Tortola, British Virgin Islands, a company incorporated under the laws of British Virgin Islands (B.V.I.).

GBM GOLD LTD

ACN 119 956 624, of 2H Thistle Street, Golden Square, Victoria, 3555.

EXTRAORDINARY GENERAL MEETING

To be held at the 2H Thistle Street, Golden Square, Victoria, 3555 at 12:00pm on Wednesday 4 April 2012.

Please read under 'VOTING BY PROXY', at the end of the Notice of Extraordinary 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

Wednesday 4 April 2012 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. Approval of issue of Shares to Exempt Persons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of issue of Shares to Exempt Persons under the variation to the third Funding Agreement with United Bright Investment Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 immediately to the right.

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.

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.

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

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 4 April 2012 at 12 pm (AEDT), and at any adjournments of that meeting.

DATED 2012

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 Extraordinary General Meeting.