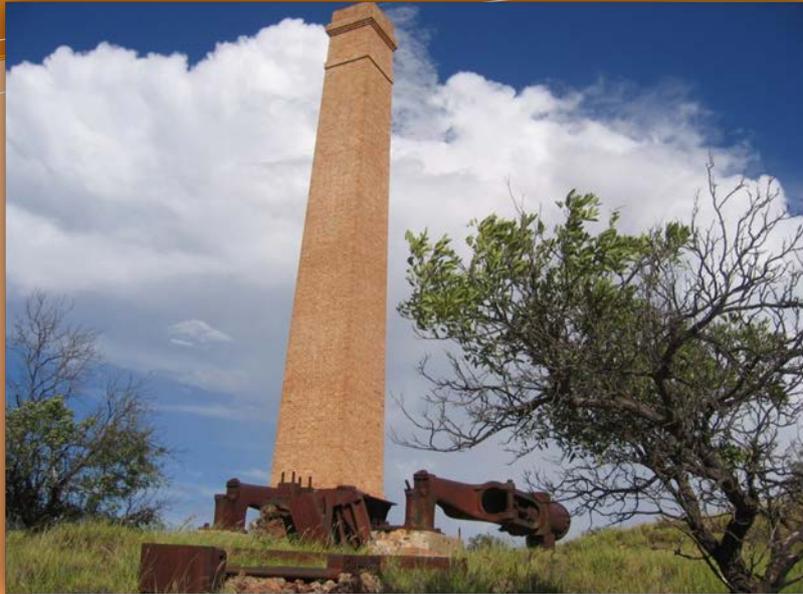




**DRUMMOND**  
DRUMMOND GOLD LIMITED



ASX

Announcement

9 February

2015

**Drummond Gold Limited**

ABN 98 124 562 849

ASX: DGO

Shares on issue 519,021,975

Directors:

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Director Brice Mutton

Director Ross Hutton

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## Sale of Mt Coolon Assets to GBM Resources Limited

### Highlights:

- Signed a binding share sale agreement signed with **GBM Resources Limited** to sell 100% interest in Mt Coolon Gold Mines Pty Ltd, a wholly owned subsidiary of Drummond Gold Limited subject to shareholder approval.
- Drummond Gold Limited to receive cash consideration of \$850,000 and 50 million fully paid ordinary shares in the capital of GBM Resources Limited.
- This transaction will result in refreshing of the Company's assets after holding the Drummond Basin assets since the initial listing of the Company in 2007
- Drummond Gold Limited will continue its strategy to identify new opportunities to explore for gold copper and zinc in Australia

Drummond Gold Limited (“DGO” or “the Company”) is pleased to announce the signing of a binding Share Sale Agreement (“SSA”) with GBM Resources Limited (ASX: GBZ) (“GBM”) whereby GBM will acquire a 100% interest in all of the issued capital of Mt Coolon Gold Mines Pty Ltd (Mt Coolon), a wholly owned subsidiary of DGO. The sale of Mt Coolon will be subject to shareholder approval.

### **Key terms of the transaction**

The key terms and conditions of the SSA are as follows:-

#### **1. Consideration**

Consideration payable by GBM to DGO consists of:

- I. Payment of cash amount of \$850,000, and
- II. The issue and allotment of 50 million fully paid ordinary shares in the capital of GBM.

The 50 million fully paid ordinary shares in the capital of GBM will remain in voluntary escrow for a period of 12 months from settlement. The Financial Assurance Security Bonds of \$370,000 held by the Queensland Mines Department shall transfer to GBM via the acquisition of Mt Coolon and is inclusive of the cash consideration received by DGO.

#### **2. Conditions Precedent**

DGO is to obtain shareholder approval to sell its interest in Mt Coolon to GBM. The date and place of the general meeting of shareholders is yet to be finalised.

#### **3. Settlement**

Settlement is to take place within 75 days of executing the SAA. It is anticipated that settlement should be completed by early March 2015.

#### **4. Income Tax Return**

DGO is to prepare an income tax return on behalf of Mt Coolon Gold Mines Pty Ltd for the period from 1 July 2014 up to and including the date of settlement. DGO will be liable for any tax liabilities or receive any income tax refunds as the result of the lodgment of this income tax return with the Australian Taxation Office.

### **Corporate Strategy**

As the result of the transaction DGO will be substantial shareholder holding 9.3% of the enlarged issued capital of GBM.

DGO will continue with its strategy to work on identifying new opportunities to explore for gold copper and zinc in Australia and subsequent to settlement of this transaction will be in the position to joint venture into or acquire land prospective for these metals.

All the directors are in favour of this transaction which will result in refreshing the Company's assets after holding the Drummond Basin assets since the initial listing of the Company in 2007.

### **GBM Resources Limited**

GBM Resources Limited (ASX: GBM) is an ASX listed company strongly focused on delivery of shareholder value through discovery, acquisition and development in the key commodities of gold and copper. GBM holds a number of major projects in Eastern Australia and is also has a joint venture in peninsular Malaysia where the Lubuk Mandi Gold Mine is currently being redeveloped.

In Queensland GBM holds a significant project area in the Mount Morgan region and is exploring for porphyry style copper-gold deposits in the district around the Mount Morgan Gold Mine which produced over 8M ounces of gold and 0.5Mt of copper. GBM has identified a number of targets for advanced exploration including Limonite Hill, Sandy Creek, Oaky Creek and Mountain Maid.

GBM also holds substantial project areas in the Cloncurry District in Queensland's North West Mineral Province which hosts the Ernest Henry Copper Mine and the numerous other world class deposits. GBM has a Farm In agreement with major Japanese companies Pan Pacific Copper and Mitsui Corporation covering five project areas. Under the Farm-in agreement PPC and Mitsui, through their Australian subsidiary Cloncurry Exploration & Development Pty. Ltd. (CED), can outlay up to A\$55 million on exploration. GBM and CED's exploration is focused on the discovery of world-class gold and copper-gold deposits in these project areas. Projects subject to this agreement include the Talawanta-Grassy Bore Project, Bungalien Project and the Mount Margaret West Project. GBM remains as operator of the projects.

Also in the Cloncurry Region, GBM holds 100% of the Brightlands Milo IOCG Project and the Mayfield IOCG Project. The Milo Project hosts a significant polymetallic resource, details can be found in GBM's 2014 Annual report. The Mayfield Project is immediately adjacent to both the Trekelano Copper Mine and the high grade Tick Hill Gold Mine and hosts a number of high order targets identified from drilling and geochemistry.

For further information on GBM Resources Limited please visit their website at [www.GBMR.com.au](http://www.GBMR.com.au).

Please feel free to contact the Executive Chairman if you require any further information regarding this announcement.

Yours faithfully



Eduard Eshuys  
**EXECUTIVE CHAIRMAN**