



05 Oct 2018

Bendigo Advertiser, Bendigo VIC

Author: William Valley • Section: General News • Article Type: News Item  
Audience : 7,509 • Page: 5 • Printed size: 237.00cm<sup>2</sup> • Region: VIC • Market: Australia  
words: 413 • Item ID: 1017961349

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# Investment in mining firm

BY WILLIAM VALLEY

A HONG Kong-based investment group will put \$2.75 million into mining firm GBM Gold – a company that bought the Bendigo Goldfield in 2016, but has made slow progress since.

The funds will be used to resume open pit gold mining at Dunolly, advance the company's plans to recover residual gold from the Kangaroo Flat Sand Dam, and pay off debts to previous Kangaroo Flat mine owner,

Unity Mining.

The ASX-listed company made the announcement to the stock market on Thursday, with the investor buying 275,000,000 ordinary shares at \$0.01.

The company detailed a loss of \$1.02 million in the 2017-18 financial year in its annual report, which followed a deficit of \$1.3 million the previous year.

The annual report also revealed GBM Gold is yet to receive the full \$6.2 million for the sale of its processing

plant at the Kangaroo Flat mine.

The ASX queried the financial position of GBM Gold Ltd in May after the company's quarterly report detailed deficits.

A letter addressed to the company by a ASX compliance officer asked GBM Gold to explain its plans to arrest "negative operating cash flows".

The ASX requires companies that are subject to quar-

terly reporting to explain to the market how they expect

to continue their operations and meet their business objectives if they appear to have ongoing negative cash flows.

A spokesperson for GBM Gold at the time said the ASX request was "nothing out of the ordinary".

Environmental groups were concerned the company's financial position could prove disastrous for rehabilitation of the toxic Woodvale Evaporation ponds.

The ponds have been used by successive mining companies to store pumped mine

water for almost 30 years and contain low levels of arsenic and lead, among others.

The state's mining regulator, Earth Resources Regulation, approved a rehabilitation plan for the Woodvale Evaporation ponds in August 2017.

An ERR spokesperson said a bond is in place to cover any liability for the ponds should the licence holder not be able to complete this work. The state government has a bond in the form of an unconditional bank

guarantee of \$1.8 million for MIN5364 - Woodvale.

This amount is based on the assessed rehabilitation liability.

An environmental audit of the Woodvale evaporation ponds completed this year found the land could be reused for agriculture over time, despite the presence of toxic substances.

In August, GBM signalled its intention to reopen the Swan Decline at the Kangaroo Flat mine to look for mineral deposits.