31 August 2010

Interim Financial Report and Operational Update

Key Points:

- Gross profit of A$17.1 million for six months to 30 June 2010
- Net cash inflow from operating activities for the period was A$10.7 million; A$14.1 million before finance costs and taxes
- Current cash balance of A$7.7 million
- Monthly mined volumes continue to increase as more panels come into production
- The Modder East processing facility is continuing to deliver above expectations with recoveries of 96% being maintained during July and August
- Modder East exploration identifies high grade shoreline extension
- Revised Black Economic Empowerment (BEE) agreements signed enabling implementation of the security provisions for the debt facility, which is on track to be completed during September 2010
- September quarter production guidance lowered from 25,000 ounces to between 18,000 and 20,000 ounces due to a slower than expected build up in the new North 2 area
- 2010 and 2011 annual forecasts under review due to the slower North 2 production build up

1. Interim Financial Report – Six Months Ended 30 June 2010

The results for the six months ending 30 June 2010 reflect a strong operational performance at Gold One's Modder East gold mine, with the Company reporting a gross profit of A$17.1 million on revenues of A$32.9 million. Gold sales of 24,778 ounces for the period represent a 49% increase on the gold sales achieved in the second half of 2009.

General and administration costs for the six months totalled A$12.4 million, which included a A$8.61 million depreciation charge for the six months.

The net loss of A$3.940 million for the first six months of 2010 also includes other non-cash expenses relating to the fair value adjustment of both the convertible bonds (A$5.183 million) and the share based payments (A$1.354 million). The redemption of the convertible bonds this year will release a profit if the carrying value of the bonds in the balance sheet is higher than the redemption value. The carrying value of the convertible bonds as at 30 June 2010 is A$81 million versus the bond redemption value of A$72 million.

Finance income declined from A$1.408 million in 2009 to A$0.316 million in 2010 as a result of the lower cash balances throughout the period under review. Finance costs also decreased from A$3.572 million to A$3.184 million, largely as a result of a reduction in interest payments brought about by the redemption of A$4.695 million on the convertible bonds.

Net cash inflow from operating activities for the period was A$10.7 million; $14.1 million before finance costs and taxes. Cash for the group at the end of June was A$7 million versus a current cash balance of A$7.7 million.

The full financial statements were released to the JSE and the ASX on Monday 30 August 2010 and are available on the Company's website (www.gold1.co.za).

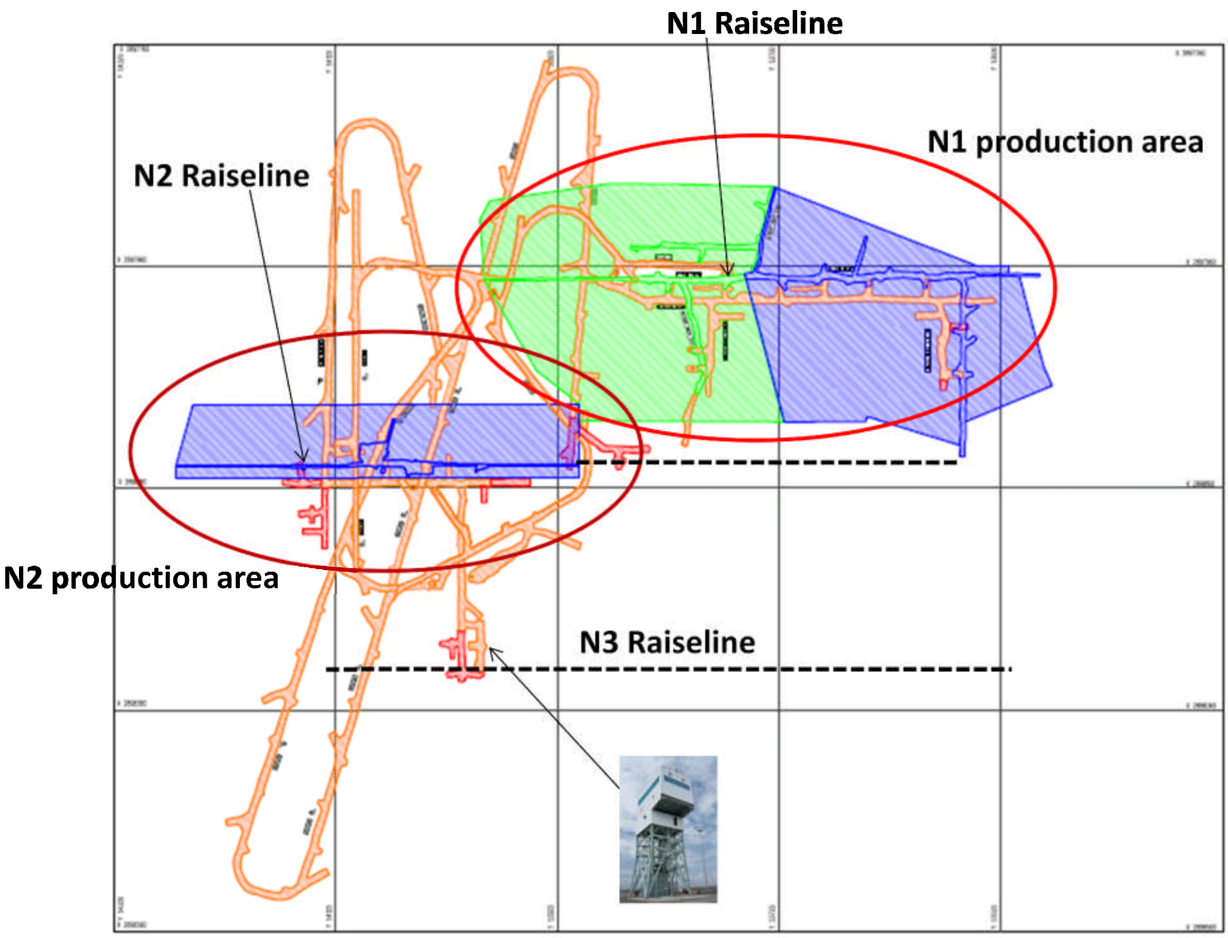
2. September Quarter Operational Update

2.1 Safety

To date, a single lost time injury has occurred in the third quarter. While this incident is regrettable, the progressive lost time injury rate per 200,000 hours for 2010 is currently at 0.36. This remains significantly below the Australian average of one, against which Gold One benchmarks itself.

2.2 Production

The Modder East mine has two main production areas. Namely the original and well established North 1 (N1), which currently accounts for about two thirds of production, and the newly established North 2 (N2) production area. These production areas are established around the N1 and N2 Raiselines respectively. It is pleasing to report that N1 is delivering ahead of expectations. However, production ramp-up in the new N2 area has been slower than expected, which has resulted in some production for the September quarter being deferred into the December quarter and possibly 2011. The travelling way to the new North 3 (N3) Raiseline is well advanced and ahead of schedule.

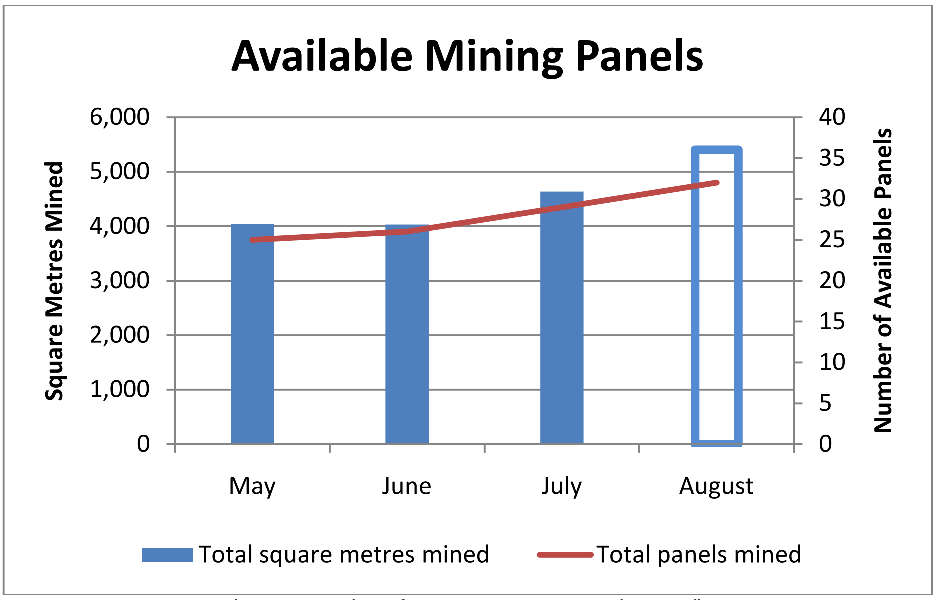


The vertical shaft (access and BPLZ station pictured below) has now been fully commissioned. Since 23 August 2010 it has been utilised to ensure efficient personnel access. This has significantly improved production face time by some 25% and decongests the decline for improved ore and waste rock transport.

Underground Shaft Access Control

BPLZ Level Station

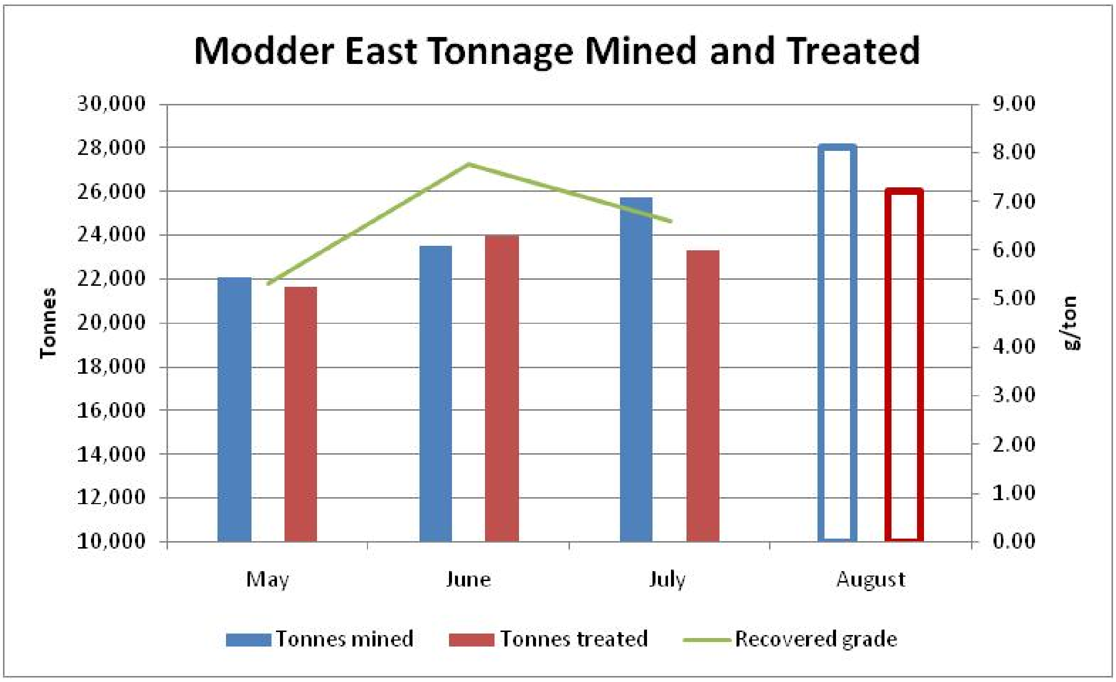
Production at Modder East has seen continuous improvement since the five-week strike during March and April 2010. August is expected to be a new record month both in terms of tonnage mined and tonnage treated. Since May 2010, the number of available mining panels has increased from 25 to 32, resulting in a continuous increase in the number of tonnes mined.



(August numbers forecast, May, June, July actual)

During July, a total of 25,748 tonnes were mined at Modder East. This is a 10% improvement on June and is largely due to the opening up of an additional three mining panels. This is against the plan of 30,000 tonnes. Tonnes treated at Modder East were 23,315 tonnes during July 2010 with a recovered grade of 6.59g/t. The difference between the tonnes mined and treated resulted in a 2,500 ton increase in underground accumulations to 6,000 tonnes. This represents approximately 1,500 ounces of underground gold inventory. The effect of the increase in underground inventory resulted in suboptimal July production for Modder East of 4,943 ounces, compared to the planned production of 6,872 ounces. Total group production for July was 5,516 ounces.

The underground accumulations are primarily a result of short term equipment availability issues, which have resulted in a reduction of ore hauled. These issues originate largely from the quality of scheduled maintenance. The new surface workshop, which will be fully commissioned during early September, together with the appointment of additional tradesmen and a Trackless Mobile Equipment Maintenance Engineer during late August, will all have an immediate and positive impact.

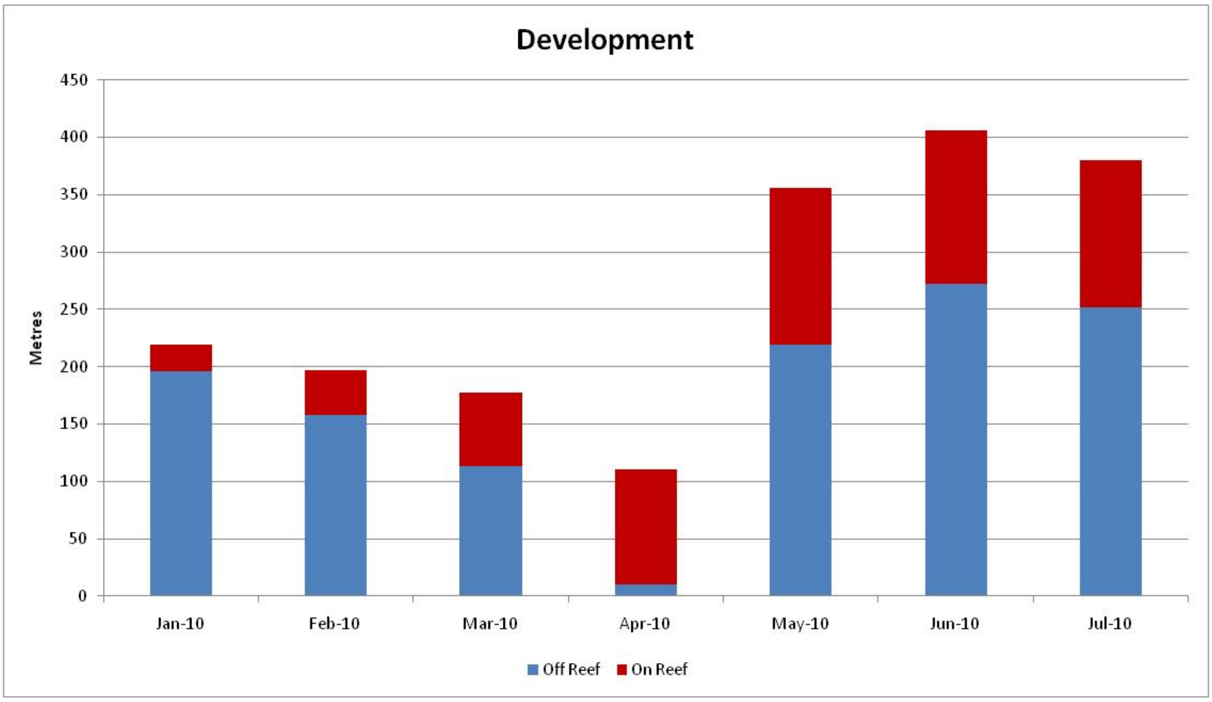


While N1 is delivering ahead of expectations, the production build up in N2 has fallen behind. This has mainly been caused by a critical ventilation holing, which was necessary to ensure a smooth transition from ledging to stoping during August. As a result, the projected tonnage mined for August is expected to be 30,000 tonnes, an increase of 16.5% on July but behind the plan of 35,000 tonnes. Gold production for August 2010 is expected to be 6,500 ounces at a recovered grade of approximately 7g/t.

The delayed production build up in the N2 area will unfortunately also have a knock-on effect into both the September and the December quarter. The forecasted production for the September quarter has therefore been reduced to between 18,000 and 20,000 ounces. At this level of production the operations will remain cash flow positive. The December quarter will reflect further growth.

The Company is well into the annual planning and budgeting cycle for 2011, which will incorporate knowledge and experience gained with actual ramp-up in 2010. Production guidance for 2011 will be provided after the completion of this process in December 2010.

In addition to the increase in production volumes, a steady increase in development rates has been maintained since the strike period. Monthly on-reef development continues to increase and is currently at 125 metres per month, with off-reef development currently at a rate of 250 metres per month. As described in the June quarterly report, 156m^2 of reserves are generated per on-reef development metre. The rise in development rates is primarily due to the increasing number of ends available for mining, which increase as the ore body is opened up. The Company anticipates a further increase in development metres to approximately 200 and 300 meters of on-reef and off-reef development respectively per month by October 2010. This will be maintained for the remainder of 2010.



(January - July actuals)

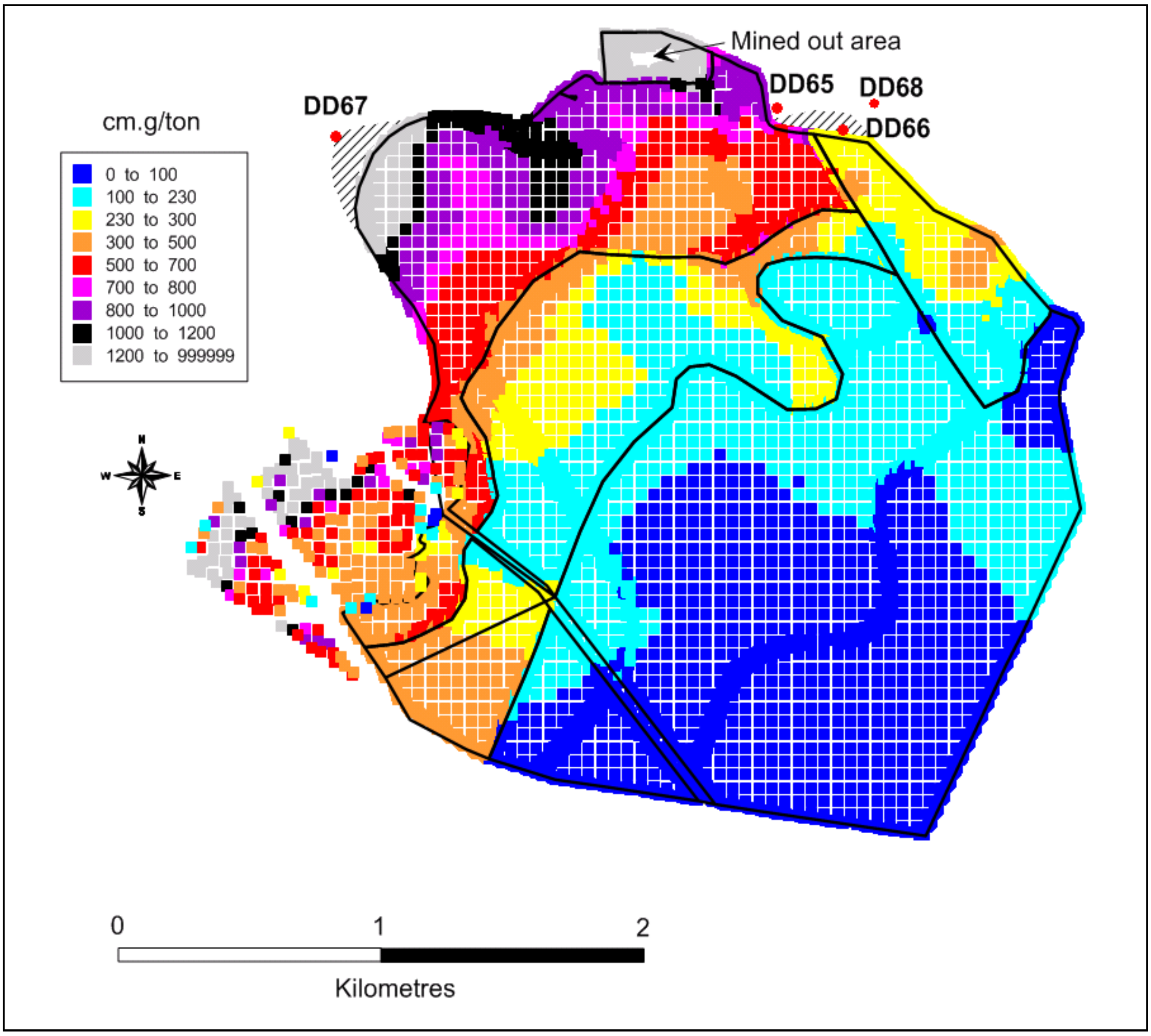
The Modder East processing facility continues to deliver above expectations with recoveries of 96% being maintained during July and August. The commissioning of the gravity circuit is planned to take place in early October 2010 and the secondary crushing plant is expected to be commissioned during September 2010.

Importantly, the quality of the ore body continues to reflect the results of the original geological modelling with mined grades (including in-stope and development dilution) being maintained above 8 g/t, which is in line with expectations.

3. Exploration Update

3.1 Modder East

In the June quarterly report, the Company indicated that it had made a decision to undertake the drilling of three additional surface boreholes to refine the shoreline position in areas planned to be mined during 2011 and 2012. The three boreholes, DD65, DD66 and DD67, were completed during August. All three successfully intersected the Buckshot Pyrite Leader Zone (BPLZ) of the Black Reef.



A further consequence of this drilling has been the identification of an extension to the high grade shoreline in the north-eastern portion of the mine. A fourth borehole (DD68) was planned and was drilled 120 metres beyond the modelled extent of the shoreline. This borehole has also successfully intersected the BPLZ and drilling in this area will continue to delineate the extent of the additional resources identified.

DD65, DD66 and DD67 will be used in the September 2010 resource update while exploration will continue around the successful intersection of DD68.

3.2 Ventersburg

The first phase of the 2010 drill program at Ventersburg has been completed with four successful intersections of the targeted A-Reef horizon. The most recently completed borehole (AFO-024) comprised of an original intersection and two short deflections. In this borehole, the A-reef was intersected at a depth of 661.4 metres below surface. The average grade of the three intersections yielded 6.35g/t over a dip corrected reef width of 1.45 metres. This phase of drilling was aimed at increasing the resource base to support the pre-feasibility study being conducted. The resource update is currently being finalised and is expected to be released during September 2010. The second phase of drilling that will be undertaken during the remainder of 2010 will focus on extending the modelled higher grade payshoot areas.

3.3 Megamine

Gold One's Megamine portfolio includes several well known mining areas, namely: Vlakfontein, West Vlakfontein, Spaarwater and portions of Sub Nigel. The Megamine areas have SAMREC/JORC compliant resources of 5.58 million ounces (comprising of 50.64 million tonnes at a grade of 3.46 g/t) in the inferred category and 310,000 ounces (comprising of 2.98 million tonnes at 3.21 g/t) in the indicated category.

The Company previously reported that a geological modelling study based on extensive amounts of historic mining and exploration data had been undertaken. This study has been completed culminating in confident geological models for the primary target, the Main Reef, as well as the secondary target, the Big Pebble Marker. In addition, it has highlighted potential exploration targets on the UK9a conglomerates.

The newly defined geological models and additional data that have been collected and collated are being used to update the existing resource estimation for the Megamine properties. This work is expected to be completed during the December quarter of 2010. In addition, a scoping study for the project is being undertaken to identify optimal access areas and will be used as a guide for future exploration activities. As previously reported, the Company is still considering strategic options regarding the development of this project.

3.4 Boundary Project

The East Rand Boundary Project (ERBP) includes the shallow (less than 500 metres below surface) portions and extensions of the historically mined Main Reef on the Company's New Kleinfontein, Turnbridge and Modder North properties. These properties are all within 16 kilometres of the Modder East mill. A re-sampling exercise at the Turnbridge property has been completed with the primary aim of confirming historical sampling data. The re-sampling work is being used to upgrade the existing inferred resources of 0.28 million ounces at Turnbridge (including 1.8 million tonnes at a grade of 4.80 g/t) and 0.55 million ounces at New Kleinfontein (including 2.47 million tonnes at a grade of 6.90 g/t) to indicated resources. This is necessary to support a pre-feasibility study and the application of a mining right. The updated resources are expected to be completed during September 2010, following which application will be made for a mining licence. This project will provide incremental tonnage in addition to the Modder East project from late 2011.

Re-sampling has now commenced at the Modder North property and is expected to be completed during September with similar objectives to enhance and increase resources. The updated resource estimation and pre-feasibility study are planned to be completed during the December quarter of 2010.

4. Convertible Bond Refinancing

The Company has made significant progress towards the finalisation of its US$65 million debt facility with Absa Capital (a division of Absa Bank Limited) and BNP Paribas ("the Lenders"). The debt facility will ensure that Gold One has the capacity to refinance all of its convertible bonds should some, or all, of the bondholders exercise their once-off put option in December 2010.

Gold One has agreed with its Black Economic Empowerment partner ("BEE partner" or "Micawber") to make certain amendments to the suite of agreements concluded in 2006, which in principle saw Gold One sell 26% of the Modder East project to Micawber, as required by South African law. The amendments will ensure that the Lenders covenants in relation to security over the assets for the debt facility can be met, while also ensuring long term sustainability for the BEE partner.

As part of the amendments to the suite of 2006 agreements, Gold One and Micawber have agreed on a value of R2 billion (US$274 million) on Gold One's flagship Modder East mine, equating to R520 million for the 26% stake purchased by the BEE partner. Micawber has the option of obtaining third party funding but as an alternative, Gold One has agreed to provide a vendor financing arrangement based on commercial terms at the time.

The Company is also pleased to announce that SRK Consulting, the Lenders' independent technical consultant, has concluded its due diligence on Modder East and no significant risk factor has been identified. The production model generated by SRK continues to show strong cash generation with a conservative production forecast, including September quarterly output, broadly in line with the revised Gold One guidance.

The Lenders will be approaching their respective credit committees for approval in September 2010.

(Report assumes exchange rate of ZAR 7.29/US$ 1)

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About Gold One:

Gold One is a gold producer listed on the financial markets operated by ASX Limited (the Australian Securities Exchange) and JSE Limited (the Johannesburg Securities Exchange) (issuer code GDO). Its flagship operation is the newly built shallow Modder East mine on the East Rand, some 30 kilometres from Johannesburg. Modder East is the first new mine to be built in the region in 28 years and distinguishes itself from most of the other gold mines in South Africa, due to its shallow nature (300 metres to 500 metres below surface), having to date provided direct employment opportunities for over 1000 people.

Gold One also owns the nearby existing Sub Nigel mine, which is used primarily as a training centre in the build-up of the Modder mine to full production. Its other projects and targets include Ventersburg and Bothaville, both in the Free State goldfields, the Tulo concession in Mozambique and the Etendeka greenfields project in Namibia. Gold One has an issued share capital of 806,268,333 shares.

future events could differ materially from those anticipated in such statements. Important factors could cause actual results to differ materially from Gold One's expectations. Such factors include, among others, the actual results of exploration activities, actual results of reclamation activities, the estimation or realization of mineral reserves and resources, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of Modder East and new deposits, availability of capital required to place Gold One's properties into production, the ability to obtain or maintain a listing in South Africa, Australia, Europe or North America, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future prices of gold and other commodities, possible variations in ore grade or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry, delays in obtaining governmental approvals, political risks, permits or financing or in the completion of development or construction activities, economic and financial market conditions, Gold one's hedging practices, currency fluctuations, title disputes or claims limitations on insurance coverage. Although Gold One has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended.

Any forward-looking statements in this release speak only at the time of issue. There can be no assurance that such statements will prove to be accurate as actual values, results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Gold One does not undertake to update any forward-looking statements that are included herein, or revise any changes in events, conditions or circumstances on which any such statement is based, except in accordance with applicable securities laws and stock exchange listing requirements.

COMPETENT PERSON

The information in this release that relates to exploration results, mineral resources or ore reserves is based on information compiled by Dr. Richard Stewart, PhD, Pr.Sci.Nat., Vice President, Geology, Gold One, who is a Member of the Geological Society of South Africa. Dr Stewart is a full-time employee of Gold One. He has 10 years experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person for the purposes of both the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and the 'South African Code for Reporting of Mineral Resources and Mineral Reserves'. Dr Stewart consents to the inclusion in this release of the matters based on information compiled by Gold One employees and it's consultants in the form and context in which they appear. Further information on the Company's resource statement is available in the pre-listing statement of Gold One International Limited issued on 19 December 2008.

SAMREC and JORC TERMINOLOGY

In addition, this release uses the terms "indicated resources" and "inferred resources" as defined in accordance with the SAMREC Code (South African Code for Reporting of Mineral Resources and Mineral Reserves prepared by the South African Mineral Resource Committee) (SAMREC) under the auspices of the South African Institute of Mining and Metallurgy effective March 2000 or as amended from time to time and where indicated in accordance with the Canadian National Instrument 43-101 – Standards for Disclosure for Mineral Projects. The terms "indicated resources" and "inferred resources" are also defined in the 2004 Edition of the JORC Code (Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). [The use of these terms in this release is consistent with the definitions of both the SAMREC Code and the JORC Code.]

A mineral reserve (or ore reserve in the JORC Code) is the economically mineable part of a measured or indicated resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate at the time of reporting that economic extraction can be justified. A mineral reserve includes diluting materials and allows for losses that may occur when the material is mined. A proven mineral reserve (or proved ore reserve in the JORC Code) is the economically mineable part of a measured resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. A probable mineral reserve (or probable ore reserve in the JORC Code) is the economically mineable part of an indicated mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit.

A mineral resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. A measured mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity. An indicated mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. An inferred mineral resource is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited exploration and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Investors are cautioned not to assume that all or any part of the mineral deposits in the measured and indicated resource categories will ever be converted into reserves. In addition, "inferred resources" have a great amount of uncertainty as to their *existence and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will be ever be upgraded to a higher category. Under South African and Australian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except under conditions noted in the SAMREC Code and the JORC Code, respectively*

Investors are cautioned not to assume that all or any part of an inferred resource exists or is economically or legally mineable.

Exploration data is acquired by the Corporation and its consultants under strict quality assurance and quality control protocols.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.