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Modder East Mine Not Affected by Flooding in South Africa

Gold One International Limited (ASX and JSE: GDO) would like to clarify the following with regard to recent media reports of flooding and problems associated with acid mine drainage in South Africa.

Gold One’s flagship Modder East mine has not been affected by the current flooding in parts of South Africa. Modder East is located a significant distance from those areas in the Gauteng Province that are currently flooded and is also situated in an area that is not prone to flooding. It is therefore highly unlikely that the mine will be affected by natural floods in the future.

With regard to acid mine drainage, it should be noted that Modder East – by design – is in no way connected to the flooded historic underground mine workings of the East Rand Basin. As a result, any changes in the underground water levels in this area of the basin will not impact on Modder East. The mine is also not required to pump significant volumes of water from underground, which typically need to be treated and discharged off site. For the purposes of the Water Act (No. 36 of 1998), Modder East is regarded as a non-discharge site. Any water pumped from its underground workings is retained on site and recycled or evaporated.

Gold One’s Sub Nigel Mine, which is currently used as a training facility for Modder East, while not affected by the flooding, is connected to the historic underground mine workings of the East Rand Basin. Should the water level in the basin rise due to the cessation of pumping by other mining operators, the training centre will be relocated to Modder East. The current water level at Sub Nigel is some 106 metres below the level where training and stoping operations are conducted and it is estimated that should all pumping cease, it will take approximately nine months for the underground water level to reach the operating level.

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About Gold One

Gold One is a gold producer listed on the financial markets operated by the ASX Limited and the JSE Limited, 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 owing to its shallow nature (300 metres to 500 metres below surface). To date Modder East has provided direct employment opportunities for over 1 300 people. Gold One also owns the nearby existing Sub Nigel mine, which is used primarily as a training centre in the build-up of Modder East to full production. Gold One's other projects and targets include Ventersburg in the Free State Goldfields, the Tulo concession in Mozambique and the Etendeka greenfield project in Namibia. Gold One has an issued share capital of 807 080 905 shares.

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