

Cash Offer to Gold One Shareholders of A\$0.55 per share Transformational Transaction for Gold One and Introduction of a Strategic Partner with a Minimum Capital Injection of A\$150 Million

- Offer of A\$0.55 (ZAR4.08*) per share by a consortium to Gold One shareholders
- Offer price represents a premium of 27.9% to the closing price and 25.1% premium to the 30-day volume weighted average price on the ASX on 12 May 2011
- Consortium of long-term strategic partners consist of Baiyin Non-Ferrous Group (a subsidiary of the CITIC Group), the China-Africa Development Fund (a subsidiary of the China Development Bank, and the Long March Capital Group
- Consortium aims to secure an overall stake of 60% to 75% in Gold One
- Capital injection of a minimum of A\$150 million (ZAR1.1 billion*) by the consortium
- Current listings of Gold One on the ASX and the JSE to be maintained, with the possibility of a future listing on the Hong Kong Securities Exchange
- Gold One intends to become an active participant in the consolidation of the global gold industry
- Transaction is recommended by the Gold One board of directors, in the absence of a superior proposal, and subject to the opinion of an independent expert

1. Introduction

JOHANNESBURG – 16 May 2011. **Gold One International Limited (ASX and JSE: GDO)** is pleased to announce that the company has entered into a Transaction Implementation Agreement (“**TIA**”) with a consortium of Chinese investors (“**Consortium**”), whereby the Consortium is seeking to become the long-term strategic partner of Gold One and its major shareholder. A copy of the TIA is attached as Annexure B to this announcement.

The announcement of this transaction signals the commencement of a landmark period of transformation for Gold One, which will position the company as an active participant in the consolidation of the African and the global gold mining industry. This transaction will combine Gold One’s solid operating platform and strong, experienced management team, with the extensive international presence and financial resources of the Consortium.

Gold One has for some time actively investigated a range of alternatives to increase its scale and production capacity and has identified a strong investment partner in the Consortium. Gold One management believes the Consortium is committed and has the financial resources to back the company in pursuing value accretive opportunities for Gold One. Through a series of interdependent transactions including an offer for existing Gold One shares and a minimum A\$150 million (ZAR1.1 billion*) capital injection into Gold One, the Consortium plans to achieve a 60% to 75% shareholding in the company.

Gold One President and Chief Executive Officer Neal Froneman commented: “We are extremely excited about this opportunity for Gold One to form a strategic partnership with this Consortium, led by a Fortune Global 500 Chinese corporation. We have been in dialogue with our future partners for some time and they have visited our operations on a number of occasions. We share a common vision, and have a similar culture and ambition for Gold One. In addition we have identified many areas where we can leverage off our complementary skills. I am confident that this partnership will create long-term value for those Gold One shareholders who elect to remain invested in Gold One, while also providing an attractive opportunity for Gold One shareholders who elect to accept the Consortium’s offer to realise the value of their Gold One holding.”

Baiyin Chairman Li Peixing says: “As part of our going global strategy, Baiyin has been seeking opportunities to invest in precious metals assets, in particular in Africa. We identified Gold One as a well managed gold company with a quality portfolio of resources, offering significant growth prospects and a strong and dedicated team. Our investment strategy focuses on securing companies with high quality resources, low cash costs, and experienced operational teams that can deploy our capital effectively. We think Gold One is such a company.

The Consortium will commit substantial financial and technical support to assist Gold One to realise its strategy of expanding its African portfolio of assets, and subsequently, international assets.”

The Consortium comprises Baiyin Non-Ferrous Group Co. Limited (“**Baiyin**”), a subsidiary of the CITIC Group, the China-Africa Development Fund (“**CADF**”), a subsidiary of the China Development Bank, and the Long March Capital Group (“**Long March**”), all of which are acting through BCX Gold Investment Holdings Limited (“**BidCo**”). More information on the Consortium is set out at the end of this announcement.

The Consortium has already entered into an agreement with African Global Capital (SA) (Pty) Limited through Navada Trading (Pty) Limited (“**AGC**”), to acquire AGC’s 17.7% shareholding in Gold One through a wholly owned subsidiary of Baiyin (“**AGC Acquisition**”). Completion of the AGC Acquisition is subject, *inter alia*, to approval from the Australian Foreign Investment Review Board (“**FIRB**”).

2. Terms of the Transaction

The transaction will be executed through a series of interdependent steps, namely, the Consortium through BidCo:

- making an off-market offer for all of the outstanding issued shares in Gold One (“**Offer Shares**”) at an offer price of A\$0.55 (ZAR4.08*) (“**Offer Price**”) per Gold One share (“**Offer**”);
- subscribing for 375,000,000 Gold One ordinary shares (“**Initial Subscription Shares**”) at A\$0.40 (ZAR2.97*) (“**Initial Subscription Price**”) per Gold One share (“**Initial Subscription**”), subject to:
 - certain conditions precedent, including Gold One shareholder approval;
 - BidCo’s Offer for all of Gold One’s issued ordinary shares that it does not already own being completed; and
 - a "clawback" in favour of BidCo through the issue to Bidco of new shares for no additional consideration up to a maximum of 492,002,621 shares (“**Adjustment Subscription Shares**”), should Gold One’s forecast 2011 production targets (which it expects it will achieve) not be met by the company (“**Adjustment Subscription**”), subject to the fulfilment or waiver, as the case may be, of the conditions precedent set out in section 5 to the TIA and in accordance with the formula set out in Schedule 5 to the TIA (refer to Annexure B); and
- to the extent that the aggregate Gold One shareholding achieved by it through the AGC Acquisition, the Initial Subscription and the Offer is less than 60% on a fully diluted basis, subscribing for up to a maximum of 188,679,245 additional Gold One shares (“**Additional Subscription Shares**”) at an issue price of A\$0.53 (ZAR3.93*) per Gold One share (“**Additional Subscription Price**”), to achieve a minimum 60% shareholding in Gold One, or such lower percentage as may be acceptable to the Consortium (“**Additional Subscription**”).

Gold One and BidCo are hereinafter collectively referred to as the “**Parties**”, whereas the Initial Subscription, the Adjustment Subscription, the Offer and the Additional Subscription are hereinafter collectively referred to as the “**Transaction**”.

The Transaction, including the Adjustment Subscription Shares, is recommended by the Gold One board of directors (the “Board”), in the absence of a superior proposal, and subject to the opinion of an independent expert. The Board will appoint an independent expert to provide it with an opinion as to the fairness and reasonableness of the Transaction to the shareholders of Gold One.

3. Transaction Rationale

The Transaction will introduce a strong investment partner to Gold One. The Board believes that partnering with the Consortium will strengthen the company’s ability to grow organically and acquisitively. The Consortium is supportive of Gold One’s fundamental growth strategy, and has committed to provide substantial financial, technical and corporate resources to support its implementation.

The Consortium has demonstrated its willingness to assist Gold One in its strategic objectives through its agreed funding of the Initial Subscription and Additional Subscription. The amount raised through the Initial Subscription will be used to enhance and expand the current operations of Gold One, whilst also providing funding for identified acquisition opportunities such as the proposed acquisition of gold producer Rand Uranium (Pty) Limited by Gold One, announced on 28 April 2011.

The Transaction structure has the benefit of catering to the requirements of both shareholders of Gold One who hold a positive view of these current developments and wish to continue to remain invested and participate in the future growth of the company, as well as those who want to take this opportunity to realise all or part of an attractive cash premium on their investment.

Gold One and the Consortium anticipate that substantial business and strategic benefits will arise from this partnership. The Consortium provides the company with:

- a supportive anchor shareholder, that shares with Gold One a common vision for the expansion plans of the company;
- access to capital and competitive financing for Gold One through its access to significant financial resources;
- a wealth of technical mining experience through Baiyin’s mining and technical experience in challenging environments and commitment to technology exchange initiatives that will benefit both existing and future operations of the company; and
- CITIC Group, a premium corporate brand in Asian financial markets, which will assist Gold One to access, as required, the Asian capital markets at potentially significantly higher valuations.

Gold One and the Board believe that the Offer Price represents an attractive proposition for its shareholders who wish to realise their investment in Gold One. By accepting the Offer, either in whole or in part only, shareholders will be able to realise attractive investment appreciation at a price that represents a premium of 27.9% and a premium of 31.0% to the closing price of Gold One shares on the ASX on 12 May 2011¹ and 30 March 2011² respectively.

The Consortium is supportive of, and will retain in full the current management of Gold One as well as the black economic empowerment structures in place for the company’s South African subsidiaries. The Consortium further does not seek, as part of the Transaction, any change in the current listings of Gold One

¹ A trading halt was implemented in respect of the company’s securities on 13 May 2011, at the request of the company pending the release of this announcement.

² Last business day prior to Gold One informing shareholders that it was assessing a potential change of control transaction.

on the ASX and the JSE. It has, however, indicated to the company that it may in due course propose an amendment to the listings of Gold One, including seeking a listing on the Hong Kong Securities Exchange.

4. Transaction Details

In terms of the TIA, subject to the fulfilment or waiver, as the case may be, of the conditions precedent summarised in Annexure A, BidCo will make the Offer on or about 22 June 2011, and the Initial Subscription, and if applicable, the Additional Subscription will complete on or about 28 September 2011. In the event that the Adjustment Subscription is required it will be implemented approximately one month after the announcement and publication of the annual financial results of Gold One for the year ending 31 December 2011.

The Initial Subscription Price, the Offer Price and the Additional Subscription Price each represent the premium or (discount), whichever is applicable, to the Gold One share price as set out in the table below:

	30-Day volume weighted average price ("VWAP") on the ASX as at 30 March 2011¹	Share price on the ASX as at closing on 12 May 2011²	30-Day VWAP on the ASX as at 12 May 2011²	6-Month VWAP on the ASX as at 12 May 2011²	12-Month VWAP on the ASX as at 12 May 2011²
Initial Subscription Price	12.3%	(7.0%)	(9.1%)	7.8%	15.8%
Offer Price	54.4%	27.9%	25.1%	48.2%	59.2%
Additional Subscription Price (if applicable)	48.8%	23.3%	20.5%	42.8%	53.4%

Notes:

- 1 Last business day prior to Gold One informing shareholders that it was assessing a potential change of control transaction.
- 2 A trading halt was implemented in respect of the company's securities on 13 May 2011, at the request of the company pending the release of this announcement.

	30-Day VWAP on the JSE as at 30 March 2011 ¹	Share price on the JSE as at closing on 12 May 2011 ²	30-Day VWAP on the JSE as at 12 May 2011 ²	6-Month VWAP on the JSE as at 12 May 2011 ²	12-Month VWAP on the JSE as at 12 May 2011 ²
Initial Subscription Price	16.6%	(11.4%)	(7.6%)	10.1%	23.5%
Offer Price	60.3%	21.9%	27.1%	51.4%	69.8%
Additional Subscription Price (if applicable)	54.5%	17.5%	22.5%	45.9%	63.6%

Notes:

- 1 Last business day prior to Gold One informing shareholders that it was assessing a potential change of control transaction.
- 2 A trading halt was implemented in respect of the company's securities on 13 May 2011, at the request of the company pending the release of this announcement.

Subject to the implementation of the Offer, the level of acceptances under the Offer, the issue of the Initial Subscription Shares, and (to the extent required) the Additional Subscription Shares, BidCo (unless it determines to hold a lower percentage) will likely hold an interest in Gold One in the range of 60% to 75%, on a fully diluted basis.

Should Gold One not achieve its forecast production target of 120,000 ounces of gold in its financial year ending 31 December 2011 (which it expects it will achieve), other than by reason of matters outside of its control, BidCo will be entitled to be issued with a number of Adjustment Subscription Shares, which number will be calculated in accordance with Schedule 5 to the TIA (refer to Annexure B), up to a maximum of 492,002,621 shares. No additional consideration will be payable in respect of the issue of Adjustment Subscription Shares (if any).

BidCo does not intend to make an offer for the Gold One options or convertible bonds. However, option holders and bond holders have the ability to convert their Gold One securities to ordinary Gold One shares and participate in the Offer.

The Offer

The Consortium intends to make the Offer through BidCo to Gold One shareholders on or about 22 June 2011, subject to the fulfilment or waiver, as the case may be, of certain conditions precedent as set out in Annexure A.

In terms of its arrangements, BidCo confirms that:

- the Consortium is in the process of securing ownership and control of 17.7% of the issued shares in Gold One;
- no person or entity is acting in concert with the Consortium and/or BidCo in respect of the Transaction; and
- the Consortium/BidCo does not hold any option to purchase shares in Gold One.

Subject to the fulfilment or waiver, as the case may be, of the conditions precedent detailed in Annexure A, and following the AGC Acquisition, the Initial Subscription, the Additional Subscription (if required), and the Offer, it is expected that BidCo will acquire up to a maximum of 75% of Gold One on a fully diluted basis resulting in a change of control of Gold One.

5. Funding and Guarantee by Baiyin

The Consortium intends to fund BidCo with regard to the Offer, the Initial Subscription and to the extent required, the Additional Subscription by way of a cash consideration. The obligations of BidCo have been guaranteed by Baiyin.

6. Other Terms

A summary of various conditions to the Transaction is set out in Annexure A.

The conditions precedent to the Initial Subscription and Additional Subscription are set out in clause 3 of the TIA and the defeating conditions to the Offer are set out in paragraph 5 of Schedule 3 to the TIA (refer to Annexure B). The conditions precedent to the Adjustment Subscription are set out in clause 5 of the TIA.

The Parties have also agreed to certain arrangements. A summary of the arrangements is set out in Annexure A, and set out in full in sections 10, 11, 16, 19 and 22 of the TIA (refer to Annexure B).

7. Indicative Timetable

2011	
Wednesday, 22 June	BidCo lodges Bidder's Statement with ASIC and ASX and serves it on Gold One
Wednesday, 22 June	Gold One lodges its Target Statement with ASIC and ASX and serves it on BidCo
Wednesday, 22 June	BidCo despatches Bidder's Statement to Gold One Shareholders
Wednesday, 22 June	Gold One despatches its Target Statement together with a circular in respect of the Transaction and the potential Adjustment Subscription, containing a notice of meeting, to Gold One shareholders
Wednesday, 22 June	Offer opens
Friday, 22 July	Gold One shareholders meeting
Wednesday, 21 September	Close of Offer (unless extended)

The above dates are indicative only and are subject to change.

8. Other Details

Gold One's transaction advisers are Macquarie Capital Advisers Limited and Hartleys Limited. Gold One's Australian legal counsel is Blake Dawson and its South African legal counsel is Edward Nathan Sonnenbergs.

The Consortium's corporate adviser is Rand Merchant Bank, a division of FirstRand Bank Limited. Its Australian legal adviser is Mallesons Stephen Jaques and its South African legal counsel is Edward Nathan Sonnenbergs.

* Average exchange rate of ZAR7.42390:A\$1

ENDS

Issued by Gold One International Limited
www.gold1.co.za

For further information please contact:

On behalf of Gold One:

Neal Froneman	<i>President and CEO</i>	+27 11 726 1047 (office)	+27 83 628 0226 (mobile)	neal.froneman@gold1.co.za
Mark Wheatley	<i>Chairman</i>	+61 2 9963 6400 (office)	+61 417 688 539 (mobile)	mark.wheatley@gold1.com.au
Ilja Graulich	<i>Investor Relations</i>	+27 11 726 1047 (office)	+27 83 604 0820 (mobile)	ilja.graulich@gold1.co.za
Carol Smith	<i>Investor Relations</i>	+27 11 726 1047 (office)	+27 82 338 2228 (mobile)	carol.smith@gold1.co.za
Derek Besier	<i>Farrington National Sydney</i>	+61 2 9332 4448 (office)	+61 421 768 224 (mobile)	derek.besier@farrington.com.au
Sean Chilvers	<i>Macquarie First South</i>	+27 11 583 2283 (office)	+27 83 280 4101 (mobile)	sean.chilvers@macquarie.com
Grey Egerton-Warburton	<i>Hartleys</i>	+61 8 9268 2851 (office)	+61 417 355 165 (mobile)	grey_warburton@hartleys.com.au

On behalf of the Consortium:

Clement Kwong	<i>Long March Capital</i>	+86 108 515 1966 (office)	+86 1860 218 9000 (mobile)	clement@longmarchcapital.com
Craig Forbes	<i>Rand Merchant Bank</i>	+27 11 282 1156 (office)	+27 72 237 2001 (mobile)	craig.forbes@rmb.co.za

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 1,100 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 807,664,732 shares.

About the Consortium

The Consortium currently comprises Baiyin (60%), the CADF (30%) and Long March (10%), acting through BidCo, which is incorporated in the British Virgin Islands. The government of the People's Republic of China ("PRC") is the beneficial owner of Baiyin and the CADF. One or more of Baiyin's shareholders, which includes CITIC Guoan Industry Information Co. Ltd ("CITIC Guoan"), may ultimately take an indirect interest, through an investment holding vehicle, in BidCo of up to 20%.

Baiyin was founded in 1954 and is a large scale mining and smelting group based in the Gansu Province, which is in West China. It is one of China's earliest large-scale state owned copper-sulphur production and mining enterprises and was restructured in November

2008. The company is currently owned by the Gansu Province government (47%) and CITIC Group (41%.1 via CITIC Guoan and 3.7% directly).

CADF is a wholly owned subsidiary of the China Development Bank Corporation (“CDB”). The CDB is a majority state-owned bank dedicated to strengthening the competitiveness of the PRC and improving the living standards of its people. The CDB’s major shareholders are:

- the PRC Ministry of Finance – 51.3%
- Central Huijin Investment Limited –48.7%.

CADF is the first equity fund in China to focus specifically on direct investments from China to Africa and has a target size of US\$5 billion. Since its inception, CADF has made investments in a variety of sectors in over 20 African countries.

Long March is an investment management and advisory firm incorporated in the British Virgin Islands and focussed on the investment and management of Chinese capital in foreign resources companies and properties. It is jointly owned by Messrs Alex Yao and Clement Kwong.

The principals of Long March have over 60 years of combined private equity investment and merger and acquisition advisory experience, and have collectively managed capital investments of over US\$ 1 billion, and advisory assignments involving more than US\$ 5 billion in aggregate. Long March has strong relationships in the Chinese mining and consumer sectors, among state financial institutions and leading state-owned enterprises, and in the Hong Kong capital markets.

Forward-Looking Statement

This release includes certain forward-looking statements and forward-looking information. All statements other than statements of historical fact included in this release including, without limitation, statements regarding future plans and objectives of Gold One International Limited are forward-looking statements (or forward-looking information) that involve various risks, assumptions and uncertainties. There can be no assurance that such statements will prove to be accurate and actual values, results and 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 realisation 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, permits or financing or in the completion of development or construction activities, economic and financial market conditions; political risks; 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.

ANNEXURE A – SUMMARY OF CONDITIONS AND OTHER ARRANGEMENTS

The Transaction is subject to various conditions, including, *inter alia*, the following:

- Gold One shareholder approval;
- applicable regulatory approvals including the approval of the Australian Foreign Investment Review Board, the approval of the Namibian Competition Commission, South African regulatory approvals including Reserve Bank, Competition Authorities and Takeovers Regulation Panel approval, and Chinese approvals including National Development and Reform Commission, Ministry of Commerce and State Administration of Foreign Exchange approval;
- an independent expert concluding that the Transaction is fair and reasonable to Gold One shareholders;
- Gold One's board does not, before the end of the takeover offer period, withdraw the recommendations in this announcement;
- BidCo obtaining an aggregate interest in at least 60% of Gold One's issued share capital on a fully diluted basis through a combination of acceptances under the Offer, the Initial Subscription and the Additional Subscription (if needed);
- no material adverse change, effect, event, occurrence, state of fact or development occurring from the date of this announcement until the end of the Offer period;
- no prescribed occurrences during the takeover Offer period;³
- all required third party approvals are obtained;
- there is no action by a public authority adversely affecting the Transaction;
- no rights are exercised by third parties under certain agreements or instruments;
- there are no material acquisitions, disposals or new commitments by Gold One (subject to certain exceptions);
- no third party acquires a relevant interest (as defined in the Corporations Act 2001 (Cth)) in 20% or more of Gold One's shares;
- Gold One or a subsidiary, or BidCo and Baiyin not becoming insolvent;
- from the date of this announcement until the end of the takeover offer period a Target Warranty or (in relation to the subscription for shares) Bidder Warranty, each as defined in the TIA, is not found to be incorrect or misleading in a material respect;
- Gold One does not, from the date of this announcement until the end of the offer period, announce or declare (or announce an intention to make or declare) any distribution (subject to certain exceptions);
- Gold One does not agree to conclude a Target Project (as defined in the TIA) which involves the issue of Gold One shares at a price lower than the Offer Price (except in the case of Goliath Gold Mining Limited⁴) or involves the aggregate consideration payable being more than 5% of the market

³ Prescribed occurrences include (without limitation) events such as Gold One or any of its subsidiaries charging (or agreeing to charge) a substantial part of its business or property; issuing (or agreeing to issue) certain securities; or resolving to be (or a court ordering that the company be) wound up or an administrator, receiver or liquidator being appointed or the company entering into a deed of company arrangement; or Gold One or a subsidiary entering into a material contract. Paragraph 5(d) of Schedule 3 to the TIA provides further information (refer to Annexure B).

⁴ As announced on 13 October 2010, Goliath Gold Mining Limited, previously known as White Water Resources Limited ("**Goliath Gold**"), a JSE listed and gold focused development company, will be created through the reverse acquisition of Goliath Gold by Gold One Africa Limited, a wholly-owned subsidiary of Gold One (refer to www.goliathgold.co.za).

capitalisation of Gold One (except in the case of Goliath Gold Mining Limited and, further to a waiver granted by BidCo, the proposed acquisition of Rand Uranium (Pty) Limited);

- Gold One does not breach the TIA in any material respect; and
- Gold One and BidCo have a right to terminate the TIA in certain circumstances.

The above list represents a summary of various conditions precedent to the Initial Subscription, the Additional Subscription and the Adjustment Subscription, and defeating conditions to the Offer, all which are set out in the TIA (refer to Annexure B). The conditions precedent to the Initial Subscription and the Additional Subscription are set out in clause 3 of the TIA. The conditions precedent to the Adjustment Subscription are set out in clause 5 of the TIA. The defeating conditions to the Offer are set out in paragraph 5 of Schedule 3 to the TIA.

The Parties have also agreed to the following arrangements:

- Gold One will not solicit any competing proposal nor will it participate in any discussions or negotiations in relation to any competing proposal which is not solicited by it, unless failure to do so would involve a breach of the fiduciary duties of the directors of Gold One;
- subject to its fiduciary duties, Gold One must disclose all material details of a competing proposal to BidCo and allow BidCo a right to match;
- within the earlier of completion and six months from signature of the TIA, BidCo will not, subject to certain exceptions, acquire securities or solicit proxies from Gold One shareholders or otherwise seek to influence or control the management or policies of Gold One;
- while it holds at least 50% of Gold One's shares, BidCo has the right but not the obligation to participate in any proposed offer by Gold One of Gold One shares or equity securities that may be convertible into Gold One shares ("**Right to Participate**"), subject to certain exceptions. The Right to Participate is subject to the completion of the Transaction, and regulatory approval;
- a "break fee" of A\$5 million is payable by Gold One and BidCo in certain circumstances; and
- there are a number of warranties and specific indemnities given by Gold One in connection with the Transaction.

The arrangements are set out in sections 10, 11, 16, 19 and 22 of the TIA (refer to Annexure B).

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Transaction Implementation Agreement

Gold One International Limited
ABN 35 094 265 746

BCX Gold Investment Holdings Ltd
Co. No. 1615241

Baiyin Non-Ferrous Group Co. Ltd.
Registration No. 620400000000010

Blake Dawson

Level 32, Exchange Plaza
2 The Esplanade
Perth WA 6000
Australia
T 61 8 9366 8000
F 61 8 9366 8111

Reference
DRD AXP 09 2030 3158

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Transaction Implementation Agreement

DATE

PARTIES

Gold One International Limited
ABN 35 094 265 746 (**Target**)

BCX Gold Investment Holdings Ltd
Co. No. 1615241 (**Bidder**)

Baiyin Non-Ferrous Group Co. Ltd.
Registration No. 62040000000010 (**Bidder Guarantor**)

BACKGROUND

- A. Bidder is a special purpose vehicle incorporated for the purposes of the Consortium undertaking the Transaction.
- B. Target is executing this document at the request of Bidder Guarantor and the Consortium. Accordingly, Bidder Guarantor has agreed to guarantee the obligations of Bidder under this document.
- C. The Consortium wishes to acquire control of Target, through Bidder, and Target wishes to raise funds to enable it to pursue acquisition opportunities and fund capital expenditures.
- D. To achieve the objectives referred to above:
- (1) Bidder is proposing to make the Bid; and
 - (2) Target has agreed to issue the Subscription Shares and Adjustment Subscription Shares to Bidder on the terms of this document.
- E. The Offer and the Subscription are inter-dependent. Target will not issue the Subscription Shares unless the Offer has closed having first become unconditional.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this document.

Additional Subscription Shares means the number of Target Shares referred to in clause 4.2 (if any).

Adjustment Subscription means the subscription for, and issue of, the Adjustment Subscription Shares under the terms of this document.

Adjustment Subscription Completion means completion of the Adjustment Subscription in accordance with clause 6.

Adjustment Subscription Completion Date means the latest of the following:

(a) five Business Days after satisfaction of the Adjustment Subscription Conditions Precedent; and

(b) any other date agreed between the parties in writing,

but in any event must occur:

(c) at least one month after the publication and announcement of Target's annual financial results for the year ended 31 December 2011; and

(d) two Business Days after the date on which the number of Adjustment Subscription Shares is determined in accordance with the terms set out in Schedule 5.

Adjustment Subscription Conditions Precedent means the conditions precedent to the obligations of the parties in respect of the Adjustment Subscription arising, which are set out in clause 5.1 and **Adjustment Subscription Condition Precedent** means any one of them.

Adjustment Subscription Shares means the number of Target Shares determined in accordance with Schedule 5 (if any).

Agreed Bid Terms means the terms set out in Schedule 3.

Announcement Date means the date the Transaction is publicly announced by both parties under clause 14.1.

Appointed Expert means, for the purpose of clause 11.7:

(a) a person agreed between Bidder and Target, being a Senior Counsel of the Australian bar for a period of not less than five years and with experience in transactions of the nature contemplated by this document; or

(b) failing agreement between Bidder and Target under paragraph (a) above within two Business Days of a party seeking that agreement, a person appointed by the President of the Law Society of Western Australia.

Approval means a licence, permit, authority, consent, approval, order, exemption, waiver, ruling or decision.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market conducted by it.

Associated Persons means:

- (a) each related body corporate of the relevant party;
- (b) each relevant party's directors, officers, employees, consultants, advisers and agents; and
- (c) each related body corporate of a relevant party's directors, officers, employees, consultants, advisers and agents.

Base Subscription Shares means 375,000,000 Target Shares issued in the following tranches:

- (a) **Tranche 1**, being the number of Base Subscription Shares issued at the relevant Subscription Price, totalling in aggregate a subscription amount of US\$30,000,000; and
- (b) **Tranche 2**, being the balance of the Base Subscription Shares issued at the relevant Subscription Price.

Bid means a takeover bid under Chapters 6 to 6C of the Corporations Act under which Bidder offers to acquire all Target Shares on terms no less favourable than the Agreed Bid Terms.

Bidder means BCX Gold Investment Holdings Ltd Co. No. 1615241, a company registered under the laws of the British Virgin Islands.

Bidder Guarantor means Baiyin Non-Ferrous Group Co Ltd, a company registered under the laws of the People's Republic of China under Registration No. 620400000000010.

Bidder's Undertaking means the undertaking set out in clause 11.3.

Bidder Warranty means a Warranty set out in clause 19.1 to the extent it relates to Bidder and a Warranty set out in clause 19.3.

Business Day means a day (other than Saturday, Sunday or public holiday) on which banks are open for general banking business in all of Perth, Australia, Johannesburg, South Africa and the Hong Kong Special Administrative Region and the People's Republic of China.

Claim includes any allegation, debt, cause of action, Liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise.

Cleansing Notice means a notice in relation to the Subscription Shares and Adjustment Subscription Shares given by Target in accordance with section 708A(5) of the Corporations Act.

Compensating Amount means the amount referred to in clause 11.4.

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Competition Authorities Approval means the Approval required to be obtained from the South African Competition Authorities in connection with the Transaction and the potential Adjustment Subscription.

Competing Proposal means any proposal or offer (including a scheme of arrangement, takeover bid, reverse takeover, capital reduction, share buy-back, amalgamation, restructuring, sale of assets, sale of shares or joint venture or other synthetic merger or any other transaction or arrangement) that would if completed substantially in accordance with its terms, result in any person or persons other than Bidder acquiring, or agreeing to acquire, directly or indirectly:

- (a) an interest (including an economic interest) in all or a material part of the assets or business of Target or its related bodies corporate; or
- (b) an interest (whether legal, beneficial or synthetic) or a relevant interest in more than 20% of the voting shares of Target,

but, for the avoidance of doubt, does not include any proposal or offer contemplated by, or in connection with, a Target Project undertaken in accordance with clause 15.1.

Completion of the Transaction means the Subscription Completion and the implementation of the Bid and occurs at the latest of the following:

- (a) the Subscription Shares being transferred to Bidder pursuant to Subscription Completion; or
- (b) Target Shares being transferred to Bidder pursuant to the Bid.

Condition means a condition to the Bid.

Condition Period means the period beginning on the Announcement Date and ending at the end of the Offer Period.

Confidentiality Agreement means the Confidentiality Agreement dated 18 November 2010 between Target and Baiyin Non-Ferrous Group Co. Ltd. (Registration No. 62040000000010(1-1)) as amended by the Addendum No.1 to the Confidentiality Agreement dated 18 March 2011 and as otherwise amended from time to time.

Consortium means the consortium of investors associated with Bidder, the members and respective shareholders of which, as at the date of this document, are set out in Schedule 1.

Corporations Act means the *Corporations Act 2001* (Cth) as modified by any relevant exemption or declaration by ASIC.

Disclosure Letter means the disclosure letter provided by Target to Bidder on or before execution of this document about the Target Warranties.

Disclosure Material means:

- (a) the Disclosure Letter; and

- (b) the information and material contained in the document file provided by Target to Bidder with the Disclosure Letter and initialled by Bidder and Target.

End Date means the date which is the latest of the following:

- (a) 31 December 2011; and
(b) any other date agreed between the parties in writing.

Equity Securities has the same meaning as in the Listing Rules.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

Goliath Gold means Goliath Gold Mining Limited, a company incorporated in South Africa.

Goliath Transaction means the transaction between Target and Goliath Gold publicly announced by Target on 12 November 2010.

Government Agency means any government, governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, whether in Australia or otherwise and specifically includes, without limitation, JSE and ASX.

Independent Expert means the independent expert to be appointed by Target.

Independent Expert's Report means the report prepared by the Independent Expert.

Initial Announcement has the meaning set out in clause 14.1.

Initial Recommendation means the recommendation of Target Board regarding the Transaction and the potential Adjustment Subscription in the form set out in the Initial Announcement.

Insolvency Event means, for a person, any of the following events:

- (a) being in liquidation or provisional liquidation or under administration;
(b) having a controller (as defined in the Corporations Act) or analogous person appointed to it or any of its property;
(c) being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;
(d) being unable to pay its debts or otherwise insolvent;
(e) taking any step that could result in the person becoming an insolvent under administration (as defined in section 9 of the Corporations Act);
(f) entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors;

- (g) a provisional or final judicial manager under Chapter XV of the *South African Companies Act, 1973* or a business rescue practitioner under Chapter 6 of the *South African Companies Act, 2008* is appointed to it; or
- (h) any analogous event under the Laws of any applicable jurisdiction.

JSE means JSE Limited, registration number 2005/022939/06, a company incorporated in South Africa or, as the context requires, the financial market conducted by it.

JSE Listings Requirements means the listings requirements of JSE, and any other requirements which are applicable while Target is admitted to the list of JSE, where the JSE determines such requirements must be complied with in addition to the Listing Rules.

Law means all statutes, regulations, statutory rules, orders, and terms and conditions of any grant of approval, permission, authority or license of any Public Authority.

Lead Independent Director means the Lead Independent Director as contemplated in the JSE Listings Requirements and the King Code of Corporate Governance in South Africa (King III).

Liability means any liability or obligation (whether actual, contingent or prospective), including for any Loss irrespective of when the acts, events or things giving rise to the liability occurred.

Listing Rules means the listing rules of ASX.

Loss means all damage, loss, cost, Claim, Liability or expense (including legal costs and expenses of whatsoever nature or description).

Material Adverse Change has the meaning given to it in paragraph 5(k) of Schedule 3.

Material Contract means a contract for the provision of goods or services to or by a member of Target Group, the termination of which is reasonably likely to have a material adverse impact on the operation or reputation of Target Group as a whole or an adverse impact on the profitability of Target Group as a whole exceeding A\$500,000 in any financial year of Target.

Modder East Stoppage Event means the Target Indemnity Event set out in paragraph 2(n) of Schedule 9.

Notice of Meeting means the notice of meeting to be sent to Target Shareholders for the purpose of convening the Target Shareholders' Meeting.

Offer means each offer to acquire Target Shares to be made by Bidder to Target Shareholders in connection with the Bid.

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Offer Price means the offer price set out in paragraph 1 of the Agreed Bid Terms.

Offer Period means the period during which Offer is open for acceptance.

Participation Exception means:

- (a) an issue of Target Shares as a result of the exercise of Target Options or the conversion of the Target Convertible Bonds;
- (b) any issue of Target Shares prior to Completion of the Transaction that is contemplated by a Target Project undertaken in accordance with clause 15.1;
- (c) an issue of Target Shares or other Equity Securities subsequent to Completion of the Transaction to employees, officers, consultants or directors of Target pursuant to a compensation or incentive scheme established and disclosed to ASX prior to the date of this document;
- (d) an issue of Target Shares or other Equity Securities subsequent to Completion of the Transaction to directors or other officers of Target approved by Target's shareholders at any time or times; or
- (e) an issue of Shares under a dividend reinvestment plan or bonus share plan of Target which does not exclude participation by Bidder.

Prescribed Event means an event referred to in paragraph 5(d) of Schedule 3.

PRC Approvals means the Approvals required to be obtained from the following People's Republic of China entities:

- (a) the National Development and Reform Commission;
- (b) the Ministry of Commerce; and
- (c) the State Administration of Foreign Exchange.

Project Maverick means the proposed acquisition by Target for all of the shares of Rand Uranium (Proprietary) Limited, publicly announced by Target to ASX on 28 April 2011.

Properties means all of the material prospecting and mining rights, land and buildings owned, occupied and otherwise used by Target Group.

Pro Rata Offer means an offer made to all holders of Target Shares on a pro rata basis.

Public Authority means any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere, including the following entities:

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- (a) South African entities:
- (i) South African Reserve Bank;
 - (ii) South African Competition Authorities;
 - (iii) TRP;
- (b) People's Republic of China entities:
- (i) National Development and Reform Commission;
 - (ii) Ministry of Commerce;
 - (iii) State Administration of Foreign Exchange;
- (c) Namibian Competition Commission; and
- (d) any self-regulatory organisation established under statute or any stock exchange, including ASX and JSE,

but excludes the Takeovers Panel, ASIC and any court that hears or determines proceedings under section 657G or proceedings commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Bid except if the determination or decision materially increases the costs of the Transaction to Bidder or affects the viability of the Transaction and the potential Adjustment Subscription.

Register means the share register of Target (including any register of Target Options and Target Convertible Bonds) and **Registry** has a corresponding meaning.

Related Party has the same meaning as it would have in section 9 of the Corporations Act if all references in section 9 to "public company" were to "public company" or "proprietary company".

Standstill Period means the period starting from the date of this document and ending on the earlier of:

- (a) six months from the date of this document; and
- (b) the date the Target Shares are transferred to Bidder pursuant to the Bid.

Subscription means the subscription for, and issue of, the Subscription Shares under the terms of this document.

Subscription Completion means completion of the Subscription in accordance with clause 4.

Subscription Completion Date means the latest of the following:

- (a) five Business Days after satisfaction (or waiver under clause 3.2) of the Subscription Conditions Precedent; and

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(b) any other date agreed between the parties in writing,

but in any event must occur at least two Business Days after the end of the Offer Period.

Subscription Conditions Precedent means the conditions precedent to the obligations of the parties in respect of the Subscription arising, which are set out in clause 3.1 and **Subscription Condition Precedent** means any one of them.

Subscription Price means:

- (a) for each Base Subscription Share:
 - (i) issued under Tranche 1, A\$0.40;
 - (ii) issued under Tranche 2, A\$0.40; and
- (b) for each Additional Subscription Share, A\$0.53.

Subscription Shares means the Base Subscription Shares and, if any, the Additional Subscription Shares.

Superior Proposal means a bona fide Competing Proposal which Target Board has determined in good faith after consultation with their external legal and financial advisers, is:

- (a) reasonably capable of being valued and completed, taking into account all aspects of the Competing Proposal or the proposal and the person making it; and
- (b) more favourable to Target Shareholders (as a whole) than the Transaction, taking into account all the terms and conditions of the Competing Proposal.

Target means Gold One International Limited ABN 35 094 265 746, incorporated in Australia and registered in South Africa as an external company under Registration No. 2009/000032/10.

Target's Annual General Meeting means the annual general meeting of Target Shareholders to be held on 19 May 2011 (and any adjournment of that meeting).

Target Board means the board of directors of Target.

Target Convertible Bond means a bond which may be convertible into Target Shares under its terms, which is on issue as at the date of this document.

Target Group means Target and its subsidiaries as at the date of this document and as set out in Schedule 6.

Target Executive Team has the meaning set out in Schedule 7.

Target Indemnities means the indemnities set out in clause 19.5 and **Target Indemnity** means any one of them.

Target Indemnity Events means the events set out in Schedule 9.

Target Option means an option to subscribe for a Target Share, which is on issue as at the date of this document.

Target Projects means the following transactions:

- (a) Goliath Transaction;
- (b) Project Maverick;
- (c) the transaction referred to as Project Solar, the nature of which has been disclosed by Target to Bidder before the date of this document; and
- (d) the transaction referred to as Project Jester, the nature of which has been disclosed by Target to Bidder before the date of this document,

and any other transactions to be implemented by Target that are agreed between the parties (both parties acting reasonably and in good faith) to be value accretive to Target and in line with Target's asset expansion strategy.

Target Share means a fully paid ordinary share in the capital of Target.

Target Shareholder means a holder of a Target Share.

Target Shareholders' Meeting means the general meeting of Target Shareholders to be convened to consider the Target Shareholders' Resolution.

Target Shareholders' Resolution means the resolution or resolutions to be considered by Target Shareholders at the Target Shareholders' Meeting to approve the Subscription and the Adjustment Subscription for all purposes, including for the purpose of section 611, item 7 of the Corporations Act (which the parties acknowledge is an exception to the requirement under Listing Rule 7.1), and Listing Rule 10.11 (if required), and in accordance with rule 22.1 of Target's constitution.

Target Undertaking means the undertaking set out in clause 11.2.

Target Warranty means a Warranty set out in clause 19.1 to the extent it relates to Target and a Warranty set out in clause 19.2.

Timetable means the timetable set out in Schedule 4.

Transaction means the Subscription and the Bid.

Transition Period means the period of 12 months from Completion of the Transaction.

Trigger Dispute means any dispute between the parties as to whether an event in clause 11 has occurred.

TRP means the South African Takeovers Regulation Panel, being from 1 May 2011 the successor of the South African Securities Regulation Panel.

Unacceptable Circumstances has the meaning given in section 657A of the Corporations Act.

Voting Power has the meaning given in section 610 of the Corporations Act.

Warranties means Bidder Warranties and Target Warranties, or either one of them as the context requires.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) Words and phrases which are defined by the Corporations Act have the same meaning in this document. If a special meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Act the word or phrase has that meaning.
- (b) A reference to:
 - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party to this document or to any other document or agreement includes a successor in title, permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person;
 - (v) Australian dollars or A\$ is a reference to the lawful currency of Australia; and
 - (vi) anything (including a right, obligation or concept) includes each part of it.
- (c) A singular word includes the plural, and vice versa.

- (d) A word which suggests one gender includes the other genders.
- (e) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (f) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (g) The expression **this document** includes the agreement recorded in this document.

2. SUBSCRIPTION FOR SUBSCRIPTION SHARES AND ADJUSTMENT SUBSCRIPTION SHARES

2.1 Issue and subscription of Subscription Shares

Subject to clause 3.1, Bidder agrees to:

- (a) subscribe for the Subscription Shares; and
- (b) pay the Subscription Price for the Subscription Shares,

and Target agrees to issue the Subscription Shares to Bidder, on the terms of this document.

2.2 Issue and subscription of Adjustment Subscription Shares

Subject to clause 5.1, Bidder agrees to subscribe for the Adjustment Subscription Shares and Target agrees to issue the Adjustment Subscription Shares to Bidder, on the terms of this document.

2.3 Directors recommendation

Target agrees to include in:

- (a) the Notice of Meeting; and
- (b) any public announcement regarding the Transaction,

a statement to the effect that Target Board recommends voting in favour of the Target Shareholders' Resolution, subject to the Independent Expert concluding that the Transaction and the potential Adjustment Subscription is fair and reasonable to Target Shareholders and in the absence of a Superior Proposal.

3. SUBSCRIPTION CONDITIONS PRECEDENT

3.1 Subscription Conditions Precedent

The respective obligations of the parties set out in clauses 2.1 and 2.2 do not arise until:

- (a) **(Target Shareholder approval)** the Target Shareholders' Resolution is approved by the requisite majority of Target Shareholders;
- (b) **(Independent Expert's conclusion)** Independent Expert concludes in the Independent Expert's Report that the Transaction is fair and reasonable to Target Shareholders and maintains that conclusion until the end of the Offer Period;
- (c) **(Bid is unconditional)** Bidder gives a notice under section 630(3) of the Corporations Act stating that the Offer is free of all Conditions;
- (d) **(Bidder receives Target Shares the subject of acceptances under the Offer)** the Offer Period has ended and Bidder has paid the Bid consideration to the accepting Target Shareholders in respect of the relevant Target Shares;
- (e) **(satisfaction or waiver of all Bid Conditions)** all of the Conditions set out in paragraph 5 of Schedule 3 are satisfied or waived;
- (f) **(no breach of Target Warranty)** during the Condition Period, a Target Warranty is not found to be misleading, or otherwise not correct, in a material respect;
- (g) **(no Bidder Insolvency Event)** during the Condition Period, Bidder or Bidder Guarantor does not become subject to an Insolvency Event; and
- (h) **(no breach of Bidder Warranty)** during the Condition Period, a Bidder Warranty is not found to be misleading, or otherwise not correct, in a material respect.

3.2 Waiver of Subscription Conditions Precedent

- (a) Bidder and Target acknowledge that the Subscription Conditions Precedent set out in clause 3.1(a) cannot be waived.
- (b) The Subscription Conditions Precedent referred to in clause 3.1(d) may only be waived by both Bidder and Target in writing.
- (c) The Subscription Conditions Precedent referred to in clauses 3.1(b), 3.1(c), 3.1(g) and 3.1(h) may only be waived by Target in writing.
- (d) The Subscription Condition Precedent referred to in clauses 3.1(e) and 3.1(f) may only be waived by Bidder in writing, except, in the case of clause 3.1(e), to the extent that Subscription Condition Precedent relates to the Conditions set out in paragraphs 5(c)

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(foreign investment approval) and 5(e) (regulatory approvals) of Schedule 3, or any other Condition required to be satisfied by Law in order for Subscription Completion and Adjustment Subscription Completion to occur.

3.3 **Obligations to satisfy Subscription Conditions Precedent**

- (a) Both parties must use all reasonable endeavours to ensure that the Subscription Conditions Precedent in clause 3.1 are satisfied on or before the End Date.
- (b) Both parties must keep each other informed of any circumstances of which they are aware which may result in any Subscription Condition Precedent not being satisfied in accordance with its terms.

4. **SUBSCRIPTION COMPLETION**

4.1 **Time and place for Subscription Completion**

Subscription Completion must take place at 4.00 pm (Johannesburg Time) on the Subscription Completion Date at 45 Empire Road, Parktown, Johannesburg, or such other time or places the parties may agree, **save that** the issue of the Base Subscription Shares under Tranche 1 must occur immediately before the issue of the Base Subscription Shares under Tranche 2 and the Additional Subscription Shares.

4.2 **Number of Additional Subscription Shares**

On the date two Business Days prior to the Subscription Completion Date (**Calculation Date**), Bidder must notify Target of the number of Additional Subscription Shares, being a number between 0 and 188,679,245, determined as follows:

- (a) if Bidder will have an aggregate interest in less than 60% (by number and calculated in accordance with clause 4.2(b)) of the Target Shares on issue at Subscription Completion if only the Base Subscription Shares are issued, then that number of Additional Subscription Shares which, if issued to Bidder on the Subscription Completion Date, would give Bidder an aggregate interest of up to 60% (by number and calculated in accordance with clause 4.2(b), but having regard also to the Additional Subscription Shares which will be issued) of the Target Shares;
- (b) for the purpose of determining the aggregate interest held by Bidder as a percentage of the Target Shares on issue prior to the issue of any Additional Subscription Shares under clause 4.2(a), the following are to be taken into account:
 - (i) in calculating the aggregate interest held by Bidder, any combination of the following:

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- (A) the relevant interests obtained by Bidder as a result of acceptances under the Offer;
 - (B) the Base Subscription Shares to be issued to Bidder;
 - (C) any other Target Shares which either Bidder, Bidder Guarantor or any related body corporate of either of them has purchased or agreed to purchase on or before the Calculation Date; and
 - (D) assuming:
 - (I) all Target Options held by any of Bidder, Bidder Guarantor or any related body corporate of either of them on the Calculation Date (if any) were exercised;
 - (II) all Target Convertible Bonds held by any of Bidder, Bidder Guarantor or any related body corporate of either of them on the Calculation Date (if any) were converted to Target Shares (at the conversion rate that would be applicable on the day after the Subscription Completion Date and as calculated in accordance with clause 4.2(b)(ii)(C)) subject, in any event, to a maximum of 361,606 Target Shares per Target Convertible Bond; and
- (ii) in calculating the total Target Shares on issue, assuming:
- (A) the Base Subscription Shares are issued;
 - (B) all Target Options on issue as at the Calculation Date were exercised;
 - (C) all Target Convertible Bonds on issue as at the Calculation Date were converted to Target Shares (at the conversion rate that would be applicable on the day after the Subscription Completion Date) subject, for the purpose of this calculation, to the conversion rate as at the date of this document being adjusted as a result of only the following events under the terms of the Target Convertible Bonds (**Bond Terms**):
 - (I) the issue of the Base Subscription Shares (in accordance with condition 6(b)(vi) of the Bond Terms); and
 - (II) a change of control (in accordance with condition 6(b)(x) of the Bond Terms),

and which, in any event, such calculation is limited to a maximum of 361,606 Target Shares per Target Convertible Bond; and

- (D) all Target Shares which, prior to the Calculation Date, have been agreed to be issued in connection with any Target Project, are issued.

4.3 Bidder's obligations at Subscription Completion

On the Subscription Completion Date, Bidder must:

- (a) deliver to Target applications for Tranche 1 and Tranche 2 of the Base Subscription Shares and the Additional Subscription Shares (if any), duly completed and executed by Bidder, in the form set out in Schedule 2 or in any other form Target agrees to accept; and
- (b) pay the Subscription Price to Target in immediately available funds by way of bank transfer to the bank account nominated by Target, or in any other form that Target may agree to accept as payment.

4.4 Target's obligations at Subscription Completion

On the Subscription Completion Date, Target must:

- (a) issue the Subscription Shares to Bidder; and
- (b) register Bidder as the holder of the Subscription Shares.

4.5 Target's obligations following Subscription Completion

Target must:

- (a) apply to ASX and JSE and use its best endeavours to obtain official quotation of the Subscription Shares by ASX and JSE with effect from the Subscription Completion Date;
- (b) issue a Cleansing Notice within five Business Days of the Subscription Completion Date or, if a Cleansing Notice cannot be issued, issue a prospectus in accordance with section 708A(11) of the Corporations Act by no later than the Subscription Completion Date; and
- (c) deliver to Bidder a holding statement showing Bidder as the holder of the Subscription Shares as soon as practicable after Subscription Completion.

5. ADJUSTMENT SUBSCRIPTION CONDITIONS PRECEDENT

5.1 Adjustment Subscription Conditions Precedent

The respective obligations of the parties set out in clause 2.2 do not arise until the fulfilment of the conditions set out below:

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- (a) **(Subscription Completion)** Subscription Completion occurs; and
- (b) **(annual gold production)** Target achieves an annual gold production of less than 120,000 ounces for the financial year ended 31 December 2011, as set out in the financial results published and announced for that financial year.

If, at any time before the publication and announcement of the financial results referred to in clause 5.1(b), Target provides to Bidder a certificate in writing from Target's auditor to the effect that Target has achieved annual gold production of 120,000 ounces or more as at the date of the certificate, such certificate will be evidence of such achievement and, notwithstanding any other provision of this document, no Adjustment Subscription Shares will be issued to Bidder.

5.2 **Waiver of Adjustment Subscription Conditions Precedent**

Bidder and Target acknowledge that the Adjustment Subscription Conditions Precedent set out in clause 5.1 cannot be waived.

6. **ADJUSTMENT SUBSCRIPTION COMPLETION**

6.1 **Time and place for Adjustment Subscription Completion**

Adjustment Subscription Completion must take place at 4.00 pm (Johannesburg Time) on the Adjustment Subscription Completion Date at 45 Empire Road, Parktown, Johannesburg, or such other time or places the parties may agree.

6.2 **Bidder's obligations at Adjustment Subscription Completion**

On the Adjustment Subscription Completion Date, Bidder must deliver to Target an application for the Adjustment Subscription Shares, duly completed and executed by Bidder, in the form set out in Schedule 2 or in any other form Target agrees to accept.

6.3 **Target's obligations at Adjustment Subscription Completion**

At the Adjustment Subscription Completion Date, Target must:

- (a) issue the Adjustment Subscription Shares to Bidder;
- (b) register Bidder as the holder of the Adjustment Subscription Shares.

6.4 **Target's obligations following Adjustment Subscription Completion**

Target must:

- (a) apply to ASX and JSE and use its best endeavours to obtain official quotation of the Adjustment Subscription Shares by ASX and JSE with effect from the Adjustment Subscription Completion Date;

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- (b) issue a Cleansing Notice within five Business Days of the Adjustment Subscription Completion Date or, if a Cleansing Notice cannot be issued, lodge a prospectus in accordance with section 708A(11) of the Corporations Act by no later than the Adjustment Subscription Completion Date; and
- (c) deliver to Bidder a holding statement showing Bidder as the holder of the Adjustment Subscription Shares as soon as practicable after Adjustment Subscription Completion.

7. FUNDING

7.1 Bidder compliance with TRP requirements

Bidder agrees to comply with all requirements, if any, imposed on Bidder by TRP in relation to its conduct of the Offer.

7.2 Target use of funds

Target and Bidder acknowledge that the funds raised by the Subscription will be applied by Target:

- (a) towards its working capital requirements;
- (b) to fund additional capital expenditures in its existing operations, including the Ventersburg project;
- (c) to fund exploration and drilling of its Properties under development; and
- (d) to fund the Target Projects, including Project Maverick, and other acquisitions of new properties.

7.3 Alternative funding arrangements

In the event that all the Additional Subscription Shares are not issued, Bidder agrees to use its reasonable efforts to assist Target in arranging funding for Target to pursue investment opportunities and fund capital expenditures.

8. THE BID

8.1 Bidder agrees to make Bid

Bidder agrees to make the Bid.

8.2 Target recommendation

Target agrees to include in its target's statement and any announcements it makes in relation to the Transaction, the Initial Recommendation and to procure that Target Board maintains that recommendation subject to the

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Independent Expert concluding that the Transaction is fair and reasonable to Target Shareholders and in the absence of a Superior Proposal.

9. FACILITATING THE BID

9.1 Reasonable access

To facilitate the Bid, Target has already and will continue to use its reasonable endeavours to provide Bidder with reasonable access to:

- (a) the books and records of Target;
- (b) the data room made available by Target;
- (c) the Properties; and
- (d) Target's senior management, external auditors and accountants and other advisers.

9.2 Access to people and information

Between the date of this document and the earlier of the date on which the Offer Period ends, and the date this document is terminated, Target must, to the extent legally permitted, and to the extent reasonably required to implement the Transaction and the potential Adjustment Subscription and to ensure that Target Group is integrated into the group of companies of Bidder in an orderly and timely manner:

- (a) provide all necessary information about the Register to Bidder that Bidder requires in order to assist Bidder to implement the Offer and solicit acceptances under the Offer;
- (b) provide all necessary directions to the Registry promptly to provide any information that Bidder reasonably requests in relation to the Register, including any sub-register, and, where requested by Bidder, Target must procure such information to be provided to Bidder in such electronic form as is reasonably requested by Bidder;
- (c) as soon as reasonably practicable, provide Bidder and its related bodies corporate with any documents, records, and other information (subject to any existing confidentiality obligations owed to third parties, or applicable privacy laws) reasonably requested by them; and
- (d) provide Bidder and its related bodies corporate with reasonable access within normal business hours to Target's officers and advisers (provided that such access does not impose an undue burden on Target), which Bidder reasonably requires for the purposes of:
 - (i) understanding Target's financial position (including its cashflow and working capital position), progress on mining

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projects, and management control and business systems and operations of Target's business;

- (ii) implementing the Transaction and the potential Adjustment Subscription;
- (iii) preparing for carrying on the business of Target following implementation of the Transaction; and
- (iv) any other purpose which is agreed in writing between the parties.

9.3 Confidentiality Agreement binds both parties

Both parties acknowledge that the rights and obligations of each party set out in clauses 9.1 and 9.2 are subject to the Confidentiality Agreement, which continues to bind Target and Bidder's Guarantor and which will bind Bidder as if it were included in the definition of "Party" or "Baiyin", as the context may require, in the Confidentiality Agreement.

9.4 Secondment

Between the date of this document and the date on which the Offer Period ends, Bidder may, acting reasonably, place an employee or contractor on a one month secondment within Target's organisation for the purpose of understanding Target's business and projects. During the secondment, the secondee will act in accordance with the reasonable instructions of Target. The secondee must be removed by Bidder if required by Target (acting reasonably) in relation to any failure to follow reasonable instructions or disciplinary matter. More detailed secondment terms may be agreed by the parties, acting reasonably. This secondment terminates on the date of termination of this agreement (unless otherwise agreed by the parties).

9.5 Conduct of business

- (a) Subject to clause 9.5(b), between the Announcement Date and the date on which the Offer Period ends, Target will conduct and will procure that Target Group conducts, the business of Target Group in the usual and ordinary course.
- (b) Bidder and Target acknowledge that Target and Target Group:
 - (i) are permitted to do anything:
 - (A) in relation to a Target Project undertaken in accordance with clause 15.1 (except that an amount may be payable in the circumstances set out under clause 11.2(h) and a Condition may be breached in the circumstances set out under paragraphs 5(o) (Target Projects – share consideration) and 5(p) (Target Projects – size) of Schedule 3);

- (B) to the extent legally permitted, in relation to matters for which Bidder has given its prior written consent, not to be unreasonably withheld;
 - (C) in relation to matters disclosed in, contemplated by or otherwise consistent with, the business plan disclosed to Bidder prior to the date of this document;
 - (D) in relation to matters specifically contemplated by this document, including, but not limited to, the Goliath Distribution in Specie; or
 - (E) where, in the reasonable opinion of Target Board, formed in good faith after having consulted with its legal and financial advisers, failing to take, or failing to refuse to take, such action would or would be likely to constitute a breach of the duties of the directors of Target; and
- (ii) to the extent any conduct of Target or Target Group does not fall under clause 9.5(b)(i), are not permitted to do anything which would result in:
- (A) any material increase in external liabilities, guarantees or obligations, or any other material contracts, outside of the ordinary course of business; or
 - (B) a Prescribed Event.

9.6 Offer documents

- (a) Each party agrees that it will provide to the other such information as is reasonably needed by the other party in order to enable the other party to prepare the Notice of Meeting, the bidder's statement and the target's statement (as appropriate).
- (b) Each party agrees to, and to procure its representatives to, do such things as are reasonably necessary to expedite the preparation of the Notice of Meeting, bidder's statement and the target's statement and the lodgement of the bidder's statement and the target's statement with ASIC and despatch to Target Shareholders.
- (c) Each party agrees to consider in good faith all reasonable and timely comments received from the other and its external legal and other advisers on the draft Notice of Meeting, bidder's statement and target's statement (as appropriate).

9.7 Early dispatch of Offer

- (a) For the purposes of item 6 in section 633(1) of the Corporations Act and subject to the matters listed in clause 9.7(b), Target will agree that offers under the Bid may be sent to holders of Target Shares on

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the day on which the bidder's statement for the Bid is sent to Target or within 28 days after that day, as Bidder may elect.

- (b) Clause 9.7(a) is subject to:
 - (i) Bidder providing Target with an initial draft of its bidder's statement for review not less than 10 Business Days before it is lodged with ASIC under item 2 of section 633(1) of the Corporations Act;
 - (ii) Bidder providing Target with a final draft of its bidder's statement for review not less than two Business Days before it is lodged with ASIC under item 2 of section 633(1) of the Corporations Act; and
 - (iii) Bidder taking account of all reasonable comments provided to it by Target prior to finalising its bidder's statement.

9.8 Conditions

- (a) Target agrees to use reasonable endeavours not to do (or omit to do) anything which will, or is likely to, result in any of the Conditions being breached, and Target agrees to use best endeavours to ensure that the Conditions in paragraphs 5(f) and 5(i) of Schedule 3 are fulfilled.
- (b) Nothing in this clause 9 prevents Target or Target Board from taking, or failing to take, action where to do otherwise would, in the reasonable opinion of Target Board, constitute a breach of the duties of the directors of Target. The reasonable opinion of Target Board must be based on specific legal, and any other appropriate, advice.
- (c) To avoid any doubt, in this document, a reference to a Condition being breached includes a reference to a Condition not being, or not being capable of being, satisfied.
- (d) Bidder agrees to use its best endeavours to ensure satisfaction of the Conditions set out in paragraphs 5(c), 5(e) and 5(f) of Schedule 3 (but is not obliged to waive any Conditions or accept any conditional approval).
- (e) To avoid doubt, nothing in this document will restrict Target from entering into and completing any arrangement in relation to a Target Project undertaken in accordance with clause 15.1 (except that an amount may be payable in the circumstances set out under clause 11.2(h) and a Condition may be breached in the circumstances set out under paragraphs 5(o) (Target Projects – share consideration) and 5(p) (Target Projects – size) of Schedule 3).

10. EXCLUSIVITY

10.1 Clause does not apply to Target Projects

For the avoidance of doubt, this clause 10 does not apply to anything Target may do in pursuing, entering into and completing any arrangement in relation to a Target Project undertaken in accordance with clause 15.1.

10.2 Cease all existing discussions

Target represents and warrants that, other than the discussions with Bidder in respect of the Transaction, neither it nor any of its Associated Persons is currently in any other negotiations or discussions in respect of any Competing Proposal with any person.

10.3 No solicitation

During the Condition Period, Target must not and must ensure that its Associated Persons do not and Target must not require any adviser or agent to, directly or indirectly solicit, initiate or encourage any inquiries, proposals or discussions regarding any Competing Proposal (whether from a person with whom Target has previously been in discussions or not) or communicate any intention to do any of those things.

10.4 No talk

Subject to clause 10.8, during the Condition Period, Target must not and must ensure that its Associated Persons do not directly or indirectly:

- (a) negotiate or enter into; or
- (b) participate in negotiations or discussions with any other person regarding,

a Competing Proposal (or communicate any intention to do any of those things), even if that person's Competing Proposal was not directly or indirectly solicited, invited, facilitated, encouraged or initiated by Target or any of its Associated Persons, or the person has publicly announced the Competing Proposal.

10.5 No due diligence

Without limiting the general nature of clause 10.4, but subject to clause 10.8, during the Condition Period, Target must not, without Bidder's prior written consent:

- (a) solicit, invite, facilitate or encourage any party (other than Bidder) to undertake due diligence investigations on Target or any of its related bodies corporate; or
- (b) make available to any person (other than to Bidder) or permit any such person to receive any non-public information relating to Target or any of its related bodies corporate with a view to obtaining any

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offer, proposal or expression of interest from any person in relation to any Competing Proposal.

10.6 Notice of unsolicited approach

During the Condition Period, Target must immediately inform Bidder if it or any of its Associated Persons or other related persons:

- (a) receives any unsolicited approach with respect to any Competing Proposal and, at Bidder's request, must disclose to Bidder the fact that such an approach has been made and all material details of the Competing Proposal, including details of the person making the unsolicited approach;
- (b) receives any request for information relating to Target or any of its related bodies corporate or any of their businesses or operations or any request for access to the books or records of Target or any of its related bodies corporate, which Target has reasonable grounds to suspect may relate to a current or future Competing Proposal; or
- (c) provides any information relating to Target or any of its related bodies corporate or any of their businesses or operations to any person in connection with or for the purposes of a current or future Competing Proposal and, at Bidder's request, must provide to Bidder a copy of that information.

10.7 Right to match

- (a) During the Condition Period, Target must not enter into any legally binding agreement in relation to a Superior Proposal unless Target has notified Bidder of the Superior Proposal and Bidder has not, within 72 hours of receipt by Bidder of that notification, submitted a written proposal to Target (**Bidder's Revised Proposal**) which is on terms that are more favourable to Target Shareholders (as a whole).
- (b) If Target Board determines in good faith that Bidder's Revised Proposal is on terms that are more favourable to Target Shareholders (as a whole) than the Superior Proposal, Target must, in the absence of another Superior Proposal, proceed with Bidder's Revised Proposal.
- (c) For the purpose of this clause 10.7, each successive variation to any Competing Proposal in relation to a Superior Proposal will be deemed to constitute a new proposal and the provisions of this clause will apply to each such new proposal.
- (d) If Target gives Bidder a notification under clause 10.7(a), Bidder agrees that the notification and its contents will be kept confidential.

10.8 Fiduciary exception

Nothing in clause 10.4, 10.5 or 10.6 requires Target or Target Board to do or refrain from doing anything with respect to an offer or proposal that

constitutes a bona fide Competing Proposal (which was not solicited, invited, facilitated, encouraged or initiated by Target in contravention of clause 10.3), including the formation of such an offer or proposal, where doing or refraining from doing that thing (in the reasonable opinion of Target Board formed in good faith after receiving advice from its legal and financial advisers) would or may be reasonably likely to involve a breach of the duties of the directors of Target.

10.9 **Standstill**

Subject to clause 10.10, during the Standstill Period, Bidder must not and must make sure its Associated Persons do not:

- (a) acquire or offer to acquire, any securities or property or any right or option to acquire any securities or property of Target; or
- (b) enter into any arrangements involving the conferring of rights the economic effect of which is equivalent, or substantially equivalent, to acquiring, holding or disposing of securities in Target; or
- (c) solicit proxies from shareholders of Target or otherwise seek to influence or control the management or policies of Target,

unless Bidder has given Target prior written notice of its intention to do any of the acts set out in paragraphs (a) to (c) above, and Target gives it prior written consent.

10.10 **Exception to Standstill**

Clause 10.9 does not apply to anything done by Bidder or its Associated Persons:

- (a) in order to carry out the Transaction under the terms of this document;
- (b) in order to pursue and implement any transaction for the acquisition of any Target Shares from a Target Shareholder, where the details of that transaction have been fully and fairly disclosed to Target by Bidder on or before the date of this document;
- (c) in order to pursue and implement any transaction for the acquisition of any Target Convertible Bonds from a holder of Target Convertible Bonds at any time before Completion of the Transaction; or
- (d) if Target Board does not make the Initial Recommendation, or withdraws such recommendation for any reason.

11. UNDERTAKINGS TO PAY COMPENSATING AMOUNTS

11.1 Acknowledgments

Based on the representations made to it by the other party, each of Bidder and Target acknowledges that:

- (a) if they enter into this document and the Transaction is subsequently not implemented, each party will incur significant costs;
- (b) each party has requested that provision be made for the payments outlined in this clause 11, without which neither of them would have entered into this document;
- (c) the board of directors of each of Bidder and Target:
 - (i) has received legal advice in relation to this document and the operation of this clause 11; and
 - (ii) believes the implementation of the Transaction and the potential Adjustment Subscription will provide significant benefits to Bidder, Target and their respective stakeholders, such that it is reasonable and appropriate for each party to agree to the payment it agrees to make under this clause 11 in order to secure the other party's participation in the Transaction; and
- (d) the amount each party has agreed to pay the other party under this clause 11 represents a genuine and reasonable estimate of cost and loss that would be suffered by that party if this document was entered into and the Transaction and the potential Adjustment Subscription was subsequently not implemented.

11.2 Target's Undertaking

Subject to Target and Bidder otherwise agreeing in writing, Target undertakes to pay the Compensating Amount to Bidder once only if one or more of the following occurs during the Condition Period:

- (a) **(Competing Proposal)** a Competing Proposal becomes open for acceptance and:
 - (i) under that Competing Proposal, a person acquires or agrees to acquire, directly or indirectly, an interest in all or a material part of the assets or business of Target or its related bodies corporate, or a interest (legal, beneficial or synthetic) or relevant interest in more than 20% of the voting shares of Target, before the end of the Offer Period; or
 - (ii) in the case of a Competing Proposal that is a takeover bid made under Chapter 6 of the Corporations Act, the Competing Proposal becomes free from any defeating conditions either

before or after the end of the offer period under the Competing Proposal;

- (b) **(recommendation)** Bidder or its related bodies corporate do not acquire or become entitled to acquire or otherwise have an aggregate interest in more than 60% (by number) of the Target Shares on issue at that time (calculated as set out in paragraph 5(b) of Schedule 3), and:
- (i) **(failure to recommend)** Target Board does not make the Initial Recommendation where the Independent Expert concludes that the Transaction and the potential Adjustment Subscription is fair and reasonable to Target Shareholders, in the absence of a Superior Proposal; or
 - (ii) **(change of recommendation)** Target Board, having made the Initial Recommendation, withdraws or changes that recommendation in a material respect after the date of this document to no longer support the Transaction (unless Target Board does so as a result of the Independent Expert changing its opinion that the Transaction is fair and reasonable to Target Shareholders in the absence of a Superior Proposal) or publicly recommends that a Superior Proposal is in the interests of Target Shareholders;
- (c) **(Superior Proposal)** notwithstanding any other provision of this clause 11, Target terminates this document where a Superior Proposal arises;
- (d) **(breach of clause 10)** Target is in breach of clause 10 and does not cease the conduct which caused the breach within three Business Days following written notice from Bidder outlining the nature of the breach;
- (e) **(breach of conditions)** Target or any director of Target does (or omits to do) anything (whether or not it may be permitted by the terms of this agreement) which results in any of the conditions in clause (c), (d) or (f) of this clause being breached or being unable to be fulfilled;
- (f) **(Prescribed Event or Material Adverse Change)** all of the following are satisfied:
- (i) a Prescribed Event or Material Adverse Change occurs prior to the end of the Offer Period;
 - (ii) this agreement is terminated in accordance with clause 22; and
 - (iii) all of the following apply in relation to the Prescribed Event or Material Adverse Change:

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- (A) the prevention of the Prescribed Event or Material Adverse Change was within the reasonable control of Target and the failure to so prevent was not:
- (I) pursuant to a contractual right of Target exercised for a legitimate purpose; or
 - (II) otherwise a legitimate exercise of Target Board's discretion, functions or responsibilities; and
- (B) had the Prescribed Event or Material Adverse Change occurred prior to the date of this document, the Prescribed Event or Material Adverse Change might reasonably be expected to have resulted in Bidder not entering into this document; and
- (C) Target has failed to rectify the Prescribed Event or Material Adverse Change within 5 Business Days after receipt of notice from Bidder requiring Target to do so.
- (g) **(material breach)** Target is in material breach of any applicable clause of this document and Bidder terminates this document pursuant to clause 22.1 as a result; or
- (h) **(Target Projects)** in relation to a Target Project, Target enters into binding arrangements which involve:
- (i) the issue, or agreement to issue, Target Shares at an issue price lower than the Offer Price; or
 - (ii) the aggregate consideration payable by Target for an individual Target Project is more than 5% of the market capitalisation of Target (determined by multiplying the total number of Target Shares then on issue by the closing price of a Target Share on ASX) on the date Target enters into binding arrangements in relation to that Target Project,

provided that this clause 11.2(h) does not apply to any arrangements in respect of the Goliath Transaction.

11.3 Bidder's Undertaking

Bidder undertakes to pay the Compensating Amount to Target once only if Bidder is in material breach of any applicable clause of this document and Target terminates this document pursuant to clauses 22.1 or 22.3(a) as a result.

11.4 Compensating Amount

The Compensating Amount is:

- (a) in the case of Target's Undertaking, A\$5,000,000 plus the amount of any GST payable; and
- (b) in the case of Bidder's Undertaking, A\$5,000,000 plus the amount of any GST payable.

11.5 Demand for payment

- (a) Any demand for payment of the applicable Compensating Amount must be in writing and the recipient of that demand (**Payer**) must pay the Compensating Amount to Bidder or Target (as the case may be) (**Payee**) within five Business Days of receipt of the demand.
- (b) The Payer's obligation to make the payment referred to in clause 11.5(a) will be satisfied by the payment of the relevant Compensating Amount in immediately available funds to the account nominated by the Payee for the purposes of this clause.

11.6 Repayment

If Bidder ultimately acquires beneficial ownership of 50.1% or more of Target Shares within 6 months of receiving the Compensating Amount, Bidder must repay to Target any amount received under clause 11 which has not already been refunded under clause 11.8 or 11.9.

11.7 Trigger Disputes

- (a) If there is a Trigger Dispute between the parties which is not resolved within two Business Days of one party notifying the other, the Trigger Dispute must be referred to the Appointed Expert.
- (b) The parties must instruct the Appointed Expert to determine the Trigger Dispute within 10 Business Days.
- (c) In determining the dispute, the Appointed Expert will act as an expert and not an arbitrator.
- (d) The determination of the Appointed Expert will, in the absence of manifest error, be final and binding on the parties.
- (e) The Appointed Expert's fees will be borne by the party who raises the Trigger Dispute unless the Appointed Expert determines otherwise.

11.8 Set Off

If Bidder does not acquire beneficial ownership of 50.1% or more of Target Shares and, within 12 months of the date of this document, accepts a Competing Proposal for any Target Shares, or otherwise disposes of any Target Shares, acquired after the date of this document, Bidder must:

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- (a) prior to payment of the Compensating Amount, notify Target of any profit for Bidder on that disposal (net of tax payable by Bidder) and Target may reduce the Compensating Amount by that amount; or
- (b) after payment of the Compensating Amount, promptly refund to Target an amount equal to any profit for Bidder on that disposal (net of tax payable by Bidder).

11.9 Compliance with law

- (a) **Unlawful Amount** means all or any part of the payment required to be made under this clause 11 that is found by the Takeovers Panel or a Court to be unlawful, involve a breach of director's duties or to constitute Unacceptable Circumstances.
- (b) If the Takeovers Panel or a Court finds an Unlawful Amount and the period for lodging an application for review or a notice of appeal of that decision has expired without such application or notice having been lodged or if an application for review or a notice of appeal has been lodged with the Takeovers Panel or a Court within the prescribed period and the relevant review Panel or Court finds an Unlawful Amount then:
 - (i) the applicable undertaking under clause 11 does not apply to the extent of the Unlawful Amount; and
 - (ii) Bidder (in the case of Target's Undertaking) or Target (in the case of Bidder's Undertaking) must refund the whole or any relevant part of any Unlawful Amount paid to Target or Bidder under this document.

11.10 Other claims

- (a) Notwithstanding any other provision of this document other than clause 11.10(b), each of Bidder and Target acknowledges and agrees that the payment of the applicable Compensating Amount by Target or Bidder (as the case may be) will constitute full satisfaction of all Liability to Bidder or Target (as applicable) under this document (or otherwise), in respect of any breach by Target or Bidder (as applicable) of a term of this document or any other Claim.
- (b) Provided Subscription Completion has occurred, Clause 11.10(a) does not apply to a breach by either party of any of the Warranties or any Claim under a Target Indemnity, which are dealt with in clauses 19 and 20.

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12. TAKEOVER OFFER – VARIATION AND WAIVER

12.1 Variation

Bidder may vary the terms of the Bid in any manner permitted by the Corporations Act and so that the varied terms are not materially less favourable to holders of Target Shares than those set out in the Agreed Bid Terms.

12.2 Waiver of conditions and extension

Subject to the Corporations Act and any other applicable Law, Bidder may:

- (a) declare the Bid to be free from any Condition;
- (b) waive any alleged breach of a Condition before or after the alleged breach has occurred; or
- (c) subject to the Agreed Bid Terms, extend the Bid at any time.

13. TIMETABLE AND JOINT DISPATCH

- (a) Each party agrees to use reasonable endeavours to implement the Transaction and the potential Adjustment Subscription in accordance with the Timetable set out in Schedule 4.
- (b) Each party agrees to use reasonable endeavours to send the Notice of Meeting, bidder's statement and target's statement together, provided that Bidder has complied with its obligations in clause 9.7(b).

14. PUBLIC ANNOUNCEMENTS

14.1 Initial Announcement

Immediately after the execution of this document by both parties, Bidder and Target must issue a simultaneous joint public announcement to ASX and JSE concerning the Transaction and the potential Adjustment Subscription in a form agreed by both parties.

14.2 Consultation

- (a) Subject to clause 14.2(b), each party must use its best endeavours to consult with the other party prior to making any public announcements or communications to shareholders in connection with the Transaction and the potential Adjustment Subscription (including without limitation the Initial Announcement referred to in clause 14.1).
- (b) Where a party is required to make an announcement by applicable Law, Listing Rules or JSE Listings Requirements or make any

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disclosure relating to the Transaction (including any supplementary bidder's statement or target's statement) it may do so only after it has:

- (i) given the other party as much notice as is reasonably practicable; and
- (ii) consulted with the other party as to the content of that announcement or disclosure.

15. CURRENT OR PROPOSED TRANSACTIONS

15.1 Target Projects

Bidder acknowledges that:

- (a) Target is either currently pursuing or implementing, or plans to pursue or implement after the date of this document, the Target Projects;
- (b) the Target Projects are expected to be value accretive to Target and in line with Target's asset expansion strategy; and
- (c) Target may issue Target Shares pursuant to some or all of the Target Projects after the date of this document,

and acknowledges and agrees that nothing in this document will restrict Target from pursuing or implementing any Target Project on or after the date of this document.

For the avoidance of doubt, Bidder agrees that the pursuit or implementation of the Target Projects in accordance with this clause 15.1 will not breach any clause of this document or any Condition or affect the Offer Price (except that an amount may be payable in the circumstances set out under clause 11.2(h) and a Condition may be breached in the circumstances set out under paragraphs 5(o) (Target Projects – share consideration) and 5(p) (Target Projects – size) of Schedule 3).

16. RIGHT OF FIRST REFUSAL

16.1 Right to participate

Subject to clause 16.6 and Bidder being the registered holder of at least 50.1% of all issued Target Shares, Bidder has the right but not the obligation to participate in any proposed offer by Target of Target Shares or Equity Securities that may convert into Target Shares (**Proposed Equity Offer**) on the terms set out in this clause 16.

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16.2 Terms of Proposed Equity Offer

Except where a Proposed Equity Offer is a Participation Exception, Target must ensure that Bidder may participate in the Proposed Equity Offer by making an offer for the issue to Bidder of the number of Equity Securities determined in accordance with clause 16.3 on the same terms and conditions as offers of Equity Securities are made to other investors or shareholders pursuant to the Proposed Equity Offer (and, where the consideration payable by other investors or shareholders does not take the form of cash, an equivalent cash amount).

16.3 Number of Equity Securities

Where, in respect of a Proposed Equity Offer, Target is required under clause 16.2 to offer to issue Equity Securities to Bidder, the number of Equity Securities to be offered to Bidder will be:

- (a) where the Proposed Equity Offer is a Pro Rata Offer, the pro rata entitlement of Bidder; or
- (b) otherwise, the number of Equity Securities which would need to be issued to Bidder so that after the issue of Equity Securities under the Proposed Equity Offer the percentage holding of Bidder is the same as the percentage holding it held immediately before the issue of Equity Securities pursuant to the Proposed Equity Offer.

16.4 Approvals required

Any offer made to Bidder in accordance with clause 16.2 is conditional on receipt of all Approvals required from Target Shareholders and any Public Authorities. The parties must use reasonable endeavours to obtain any such approvals within the period stipulated in clause 16.5(b).

16.5 Lapse of offer

Any offer made to Bidder in accordance with clause 16.2 will lapse if, from the time Target provides Bidder with the terms of the relevant transaction:

- (a) Bidder does not accept the offer within 5 Business Days; or
- (b) Bidder or Target does not obtain the Approvals required by clause 16.4 within three months.

For the avoidance of doubt, if the offer lapses under this clause 16.5, Target will not be restricted from offering Target Shares or Equity Securities that may convert into Target Shares to a third party.

16.6 Limitations on the effect of this clause

- (a) This clause 16 only comes into effect after Completion of the Transaction.
- (b) Subject to clause 16.6(a), in addition to compliance with all other applicable Laws and the Listing Rules, the rights of Bidder under this

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clause 16 will be subject to and conditional on Target obtaining either one or both of the following, as required by ASX:

- (i) written notice from ASX that this clause 16 does not contravene Listing Rule 6.18;
 - (ii) a waiver from ASX of Listing Rule 6.18 that allows the parties to give full effect to this clause 16.
- (c) Nothing in this clause 16 will prevent or delay any transaction (including any Proposed Equity Offer) from being carried out by Target in accordance with its terms. For the avoidance of doubt, any aspect of the offer made to Bidder in accordance with clause 16.2 (including any Approvals required under clause 16.4) will not form part of any conditions to any transaction (including any Proposed Equity Offer) to be carried out by Target.

17. TRANSITIONAL STEPS AND BIDDER'S INTENTIONS

In the event that Bidder acquires a controlling interest in Target, Bidder makes the following acknowledgements and representations regarding transitional steps.

17.1 Target Executive Team

During the Transition Period, Bidder intends to:

- (a) procure the retention of the Target Executive Team to manage the business of Target; and
- (b) procure the remuneration of the Target Executive Team in the manner set out in Schedule 7.

17.2 Principles of Target Board representation

Without limiting clause 18, following Completion of the Transaction, Bidder intends to reconstitute Target Board in accordance with the following principles:

- (a) representation of Bidder (including on all Target Board sub-committees), which will be in proportion with Bidder's total shareholding in Target;
- (b) size, which will be suitable for Target Board to perform its duties and function;
- (c) composition, which will incorporate an appropriate mix of experience and qualifications of board members and have regard to relevant corporate governance considerations, including the *ASX Corporate Governance Principles and Recommendations*; and

- (d) independence, which will require a Lead Independent Director and at least four independent, non-executive directors.

17.3 Technical and Development Sub-Committee

Bidder and Target agree to use their best endeavours to form a Technical and Development Sub-Committee, the composition and purpose of which is to be agreed as soon as possible after the date of this document.

18. BIDDER NOMINATION RIGHTS

18.1 Application

This clause 18 does not operate unless and until each of the following occurs:

- (a) the Bid has become unconditional and the Offer Period has subsequently ended; and
- (b) Bidder, Bidder Guarantor and any related body corporate of either of them being the registered holders of, in aggregate, at least 50.1% of the total issued Target Shares.

18.2 Right to nominate Target directors

For so long as Bidder, Bidder Guarantor and any related body corporate of either of them hold in aggregate not less than 15% of the total issued Target Shares at any time, Bidder will be able to nominate members to Target Board on a proportional basis, and in any case no less than one member for each complete 15% shareholding in Target (**Nominee Directors**).

18.3 Replacement of Nominee Director

- (a) Bidder may by notice to Target:
 - (i) remove any Nominee Director appointed to Target Board;
 - (ii) nominate a replacement Nominee Director who will be appointed as a casual vacancy other than in the circumstances referred to in clause 18.3(a)(iii) (**Replacement Nominee Director**); or
 - (iii) in circumstances where a Nominee Director appointed to Target Board is due to retire by rotation under Target's constitution (**Incumbent Nominee Director**), propose a new nominee whose appointment will be considered at the next annual general meeting, and if such a nomination is made, the Incumbent Nominee Director will not be eligible to offer him or herself for re-election.

- (b) If Bidder exercises its right to propose a Replacement Nominee Director under clause 18.3(a)(ii):
 - (i) the Incumbent Nominee Director must retire in accordance with Target's constitution; and
 - (ii) any Replacement Nominee Director will be considered for election at the next annual general meeting.

18.4 Precondition to appointment

Prior to the appointment of any Nominee Director or the replacement of the Incumbent Nominee Director, that person must first agree with Target that they will retire when required to do so in the circumstances referred to in clause 18.3.

18.5 Restriction on nomination right

Bidder may not nominate a person as a Nominee Director under clause 18.2 (or any Replacement Nominee Director under clause 18.3(a)(ii) or 18.3(a)(iii)) if that person has been removed or, being a director of Target retiring by rotation, is not re-elected by resolution of Target Shareholders.

18.6 Appointment by Target Board in interim

- (a) Target Board will promptly appoint any Nominee Director (or any Replacement Nominee Director other than one appointed under clause 18.3(a)(iii)) as a casual or additional director of Target Board until the next annual general meeting of Target, at which time that Nominee Director will (subject to clause 18.3(a)(i)) be subject to election by Target Shareholders in accordance with Target's constitution, the Listing Rules and the JSE Listings Requirements.
- (b) For the avoidance of doubt, the obligation of Target Board to appoint any Nominee Director (or any Replacement Nominee Director) under this clause 18.6 only operates if Bidder is entitled to nominate a Nominee Director under clause 18.2.

18.7 Initial constitution of Target Board

The parties agree that, during the Transition Period, Target Board will initially consist of 11 persons, namely:

- (a) a Chief Executive Officer, being the Chief Executive Officer of Target as at the date of this document;
- (b) a Chief Financial Officer of Target, being the Chief Financial Officer of Target as at the date of this document;
- (c) a Lead Independent Director, being one of the independent directors that are on the Target Board as at the date of this document;
- (d) five independent directors, comprising of:

- (i) two independent directors that are on the Target Board as at the date of this document; and
- (ii) three independent directors nominated by Bidder; and
- (e) three non-executive Nominee Directors, one of whom will be the chairman.

18.8 **Boards of other Target Group companies**

The powers and authority of the boards of each company in Target Group (except Target) will be determined by Target Board from time to time.

18.9 **Target committees**

Bidder will be entitled to nominate members to each of the committees of Target including the Audit Committee and Remuneration Committee, in proportion with Bidder's total shareholding in Target and in accordance with the principles set out in clause 17.2, as they apply to the committees of Target.

18.10 **Nominee Directors will not deliberate on certain matters**

Bidder and Target acknowledge and agree, and it will be a condition that each Nominee Director (or any Replacement Nominee Director) or any other director nominated by Bidder acknowledges and agrees before being nominated to be a member of Target Board that, due to the potential conflict of interest or any potential material personal interest of the Nominee Director (or Replacement Nominee Director) or any other director nominated by Bidder, a Nominee Director (or Replacement Nominee Director) or any other director nominated by Bidder must not be present while any of the following matters are being considered by Target Board and must not vote on any of the following matters:

- (a) any dispute or difference between Target and Bidder arising out of or in connection with this document, including any dispute or difference as to the formation, validity, existence or termination of this document; or
- (b) without limiting clause 18.10(a), any matter where Bidder has alleged a breach of a Target Warranty or made any Claim in relation to this document (including a Claim under a Target Indemnity).

For the avoidance of doubt, this clause 18.10 does not in any way limit the duties that each Nominee Director or any other director nominated by Bidder will need to observe and perform while being a member of Target Board, and this clause 18.10 does not apply to any independent directors nominated by Bidder.

19. WARRANTIES AND INDEMNITIES

19.1 General Warranties

Each party represents and warrants to the other party that each of the following Warranties is correct and not misleading on the date of this document up to and including Completion of the Transaction as if made on and as at each of those dates (unless expressly stated otherwise):

- (a) it is duly incorporated under the Laws of the place of its incorporation;
- (b) it has the power and authority to enter into this document and perform and observe all its terms;
- (c) this document constitutes its legal, valid and binding agreement enforceable against it in accordance with its terms;
- (d) it is not bound by any contract which may restrict its right or ability to enter into or perform the agreement contained in this document; and
- (e) no resolutions have been passed and no other step has been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets and no regulatory action has been taken which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this document.

19.2 Target Warranties

Subject to clause 20, Target represents and warrants to Bidder that each of the following Warranties is correct and not misleading on the date of this document up to and including Completion of the Transaction as if made on and as at each of those dates (unless expressly stated otherwise):

- (a) **(continuous disclosure)** Target is in compliance with ASX Listing Rule 3.1 in relation to continuous disclosure and is not relying on the carve-out in Listing Rule 3.1A to withhold any information from disclosure, except as disclosed by Target to Bidder in writing on or prior to the date of this document;
- (b) **(no Prescribed Occurrences)** Target is not aware of any act, omission, event or fact that would result in one or more of the conditions set out in paragraph 5(d) of Schedule 3 being triggered, except as disclosed by Target to Bidder in writing on or before the date of this document;
- (c) **(Disclosure Material)** The Disclosure Material has been prepared and provided in good faith and to the best of Target's knowledge and belief is accurate in all material respects, and Target has not deliberately withheld from Bidder any information that is material to

Target Group as a whole (whether that information is in the Disclosure Materials or otherwise). In addition, no Disclosure Material is, to the best of Target's knowledge and belief, false or misleading in any material respect;

- (d) **(licences, consents and authorisations)** Each member of Target Group holds all material licences, consents, certificates, permissions, consents and authorisations required for the carrying on of its business and use of its properties as they are being carried on and used as at the date of this document, and nothing has occurred to the knowledge and belief of the relevant member of Target Group which is likely to have the effect of its material licences, permits or franchises being revoked or altered in any materially adverse way, or not being renewed or being capable of being renewed on reasonably acceptable terms;
- (e) **(compliance with Laws)** Each member of Target Group has conducted its business in all material respects in accordance with applicable Laws, including without limitation all black economic empowerment requirements of the South African Mineral and Petroleum Resources Development Act, No. 28 of 2004, as amended, the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry, published in South African Government Gazette No. 26661 on 13 August 2004 and related legislation. Target is not aware of any allegation of any material breach of any such laws.
- (f) **(environmental matters)**
- (i) **(contamination and pollution)**
- (A) As far as Target is actually aware, having made reasonable enquires at the time of:
- (I) the relevant member of Target Group acquiring or occupying the Properties (while being a member of Target Group); or
- (II) the Target acquiring a member of Target Group which, at that time, owned or occupied any Properties,
- the Properties, at the times referred to in items (I) or (II) above (as the case may be), were free from any contamination and there had been no migration of contamination from the Properties to other land or to water.
- (B) Since the time:
- (I) the relevant member of Target Group first acquired or occupied the Properties (while being a member of Target Group); or

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- (II) Target acquired a relevant member of Target Group which, at the time of acquisition, owned or occupied any Properties,
- no member of Target Group has caused or contributed to any contamination of the Properties or caused or contributed to any migration of contamination from the Properties to other land or to water.
- (C) As far as Target is actually aware, having made reasonable enquires at the time Target acquired a relevant member of Target Group, no member of Target Group, on or before that time of acquisition, caused or contributed to contamination of any previously owned or occupied land.
- (D) Since the time Target acquired a relevant member of Target Group, no member of Target Group has caused or contributed to contamination of any previously owned or occupied land.
- (ii) **(environmental management)** Each member of Target Group has in place, and is complying with the terms of, systems and processes designed to ensure its compliance with all applicable laws. Those systems and processes have been designed with professional skill, care and diligence.
- (iii) **(rehabilitation obligations)** Each member of Target Group has made adequate provision for the rehabilitation of any areas on any of the Properties where a member of Target Group has undertaken prospecting or mining activities, and each member of Target Group has environmental rehabilitation guarantees in place that are sufficient to cover the costs of any rehabilitation that may be required under any applicable Laws in respect of such areas.
- (g) **(securities)** Target's issued securities as at the date of this document (unless otherwise stated) consist of:
- (i) 807,664,732 Target Shares;
- (ii) 500 Target Convertible Bonds (the conversion ratio of which will alter depending on the occurrence of specified circumstances or events, which Bidder and Bidder Guarantor are aware of); and
- (iii) 87,861,730 Target Options, each convertible into one Target Share,

and those securities comprise the whole of the issued and outstanding share capital of Target and it has not issued or agreed to issue any other securities or instruments which are still outstanding

and which may convert into or be exchangeable for or entitle the holder to Target Shares.

- (h) **(Goliath Gold)** Neither Goliath Gold nor any of its related bodies corporate is subject to any liability or contingent liability which, if the Goliath Transaction completes **(Goliath Completion)**, will, on Goliath Completion, become a direct, actual liability of Target Group (which, for the avoidance of doubt, does not include Goliath Gold or any of its subsidiaries) other than as expressly provided for in, or contemplated by, the agreements for the Goliath Transaction given to Bidder prior to the date of this document.

19.3 Bidder Warranties

Bidder represents and warrants to Target that each of the following Warranties is correct and not misleading on the date of this document up to and including Completion of the Transaction as if made on and as at each of those dates (unless expressly stated otherwise):

- (a) Bidder has sufficient cash or access to sufficient cash to perform its obligations under this document; and
- (b) as at the date of this document, Bidder is not aware of any fact, event, act or omission that would result in one or more of the Subscription Conditions Precedent or Conditions not being satisfied.

19.4 Reliance on Warranties

Bidder acknowledges that it has not entered into this document in reliance on any other representations or warranties (pre-contractual or otherwise) given or made by Target.

19.5 Target Indemnities

- (a) Subject to clause 20, if all of the following occur:
- (i) a Target Indemnity Event occurs; and
- (ii) Bidder makes a Claim of breach of a Target Warranty to a competent court or tribunal as a result of the occurrence of the relevant Target Indemnity Event; and
- (iii) the competent court or tribunal referred to in clause 19.5(a)(ii) determines that the Claim of breach of a Target Warranty:
- (A) cannot be pursued by Bidder; or
- (B) the amount of the Claim must be reduced,
- by reason only of Bidder's knowledge of any matter, fact or circumstance surrounding the relevant Target Indemnity Event (the amount of such a Claim that cannot be pursued or the reduced amount of such a Claim being referred to in this clause as a **Deemed Disclosure Amount**),

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then Target indemnifies Bidder against any Loss that Bidder suffers because of the Target Indemnity Event to the extent of the Deemed Disclosure Amount.

- (b) If a Claim for a breach of a Target Warranty relates to a Modder East Stoppage Event which has occurred, then the parties agree that Target will be liable to pay to Bidder A\$105,000,000 in respect of that Claim less any amount paid or payable in respect of other Claims made in respect of Target Warranties and Target Indemnities.

For the avoidance of doubt, if a Claim in relation to a Modder East Stoppage Event is made in accordance with this clause 19.5(b), then the maximum amount of all aggregate Claims that may be made under this document under clause 20.7 will be fully utilised and no other Claims by Bidder under this document will be able to be made.

If, for any reason, a Claim in relation to a Modder East Stoppage Event made in accordance with this clause 19.5(b) cannot be validly be made in law, this clause 19.5(b) shall be deemed to be deleted from this document.

20. LIMITATIONS OF TARGET WARRANTIES AND TARGET INDEMNITIES

20.1 Disclosures

No Target Warranty is breached by reason of, and Target is not liable to Bidder or any other person for breach of any Target Warranty in respect of, any fact, matter or circumstance:

- (a) fairly disclosed in the Disclosure Material;
- (b) of which Bidder would have been aware had it conducted searches before the date of this document of records of any Government Agency open to public inspection in Australia or South Africa;
- (c) of which Bidder, Bidder Guarantor, China Development Bank, Long March Capital Limited or any of their related bodies corporate, is actually aware of before the date of this document; or
- (d) contained in this document, including any schedule, exhibit or annexure.

The Target Warranties are qualified by each such fact, matter and circumstance.

20.2 Limitations

No Target Warranty is breached by reason of, and Target is not liable to Bidder or any other person for breach of any Target Warranty or under any Target Indemnity in respect of, any fact, matter or circumstance:

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- (a) which arises from any change after the date of this document in any Law or in its interpretation or in any administrative practice or ruling of a Government Agency (even if the change has retrospective effect); or
- (b) to the extent that it is caused by, or contributed to by, any act, omission, transaction or arrangement:
 - (i) of or by or on behalf of Bidder or any related body corporate of Bidder;
 - (ii) of or by or on behalf of Target, or any other person, at the request of or with the consent of Bidder; or
 - (iii) in accordance with implementing, or permitted by, the terms of this document or of any other agreement contemplated by it.

20.3 **No liability if loss is otherwise compensated for**

Bidder may only recover once for the same Loss, and Target is not liable to Bidder or any other person for any Loss to the extent:

- (a) that the same Loss has been recovered in another Claim or the subject of the Claim is made good or is compensated for without cost to Bidder;
- (b) that there are any corresponding savings by, or net benefit to, Bidder or any of its related bodies corporate; or
- (c) that Bidder or any of its related bodies corporate has actually recovered an amount from a person other than Target.

20.4 **No claims for consequential loss**

Neither party will be liable to the other party in any circumstances for any indirect, special or consequential loss or damage, including but not limited to loss of revenue, loss of production, loss of product, loss of contract or loss of profit howsoever arising and whether in an action in contract, tort (including without limitation, negligence), in equity, product liability, under statute, or on any other basis.

20.5 **Time limit on claim**

Bidder must not make any Claim under this document, including for a breach of Warranty or under a Target Indemnity, unless the Claim has been notified to Target within 24 months from Completion of the Transaction.

20.6 **Minimum amount of Claim**

Bidder must not make any Claim for breach of a Target Warranty or under a Target Indemnity unless the amount of the Claim exceeds A\$250,000 in aggregate in respect of all Claims.

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20.7 Maximum amount of Claim

Target's total liability for Loss for breach of a Target Warranty and under a Target Indemnity is limited in aggregate for any and all Claims to A\$105,000,000.

21. GUARANTEE BY BIDDER GUARANTOR

21.1 Definitions in guarantee

The following definitions apply in this clause 21 and in Schedule 8.

Guaranteed Money means all amounts (including damages) that are payable, owing but not payable, or that otherwise remain unpaid by Bidder to Target on any account at any time under or in connection with this document, whether present or future, actual or contingent.

Guaranteed Obligations means the obligations of Bidder to pay the Guaranteed Money and all its other obligations to Target (monetary or non monetary, present or future, actual or contingent) under or in connection with this document, including, without limitation, obligations in relation to the Offer.

21.2 Obligations guaranteed

In consideration of Target entering into this document at the request of Bidder Guarantor, Bidder Guarantor guarantees to Target the due and punctual:

- (a) **(payment)** payment by Bidder of the Guaranteed Money; and
- (b) **(performance)** performance by Bidder of the Guaranteed Obligations.

21.3 Consequences of Bidder default

- (a) **(payment on demand)** If Bidder defaults in the due and punctual payment of any Guaranteed Money, Bidder Guarantor must pay that money on demand to, or as directed by, Target.
- (b) **(costs on demand)** If Bidder defaults in the due and punctual performance of any Guaranteed Obligation, Bidder Guarantor:
 - (i) **(costs)** must indemnify Target and hold Target harmless against all losses, liabilities and expenses (including legal expenses on a full indemnity basis) that Target incurs (directly or indirectly) as a result of that default; and
 - (ii) **(demand)** must pay the amount of those losses, liabilities and expenses on demand to, or as directed by, Target.

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21.4 Provisions applying to this guarantee

The provisions set out in Schedule 8 apply to the guarantee given by Bidder Guarantor in this clause 21.

21.5 Warranties of Bidder Guarantor

- (a) Bidder Guarantor represents and warrants, and it is a condition of this document that:
 - (i) Bidder Guarantor has sufficient cash to perform its obligations under this document; and
 - (ii) Bidder Guarantor is not aware of any fact, event, act or omission that would result in one or more of the Subscription Conditions Precedent or the Conditions not being satisfied; and
- (b) Bidder Guarantor acknowledges that Target has executed this document in reliance on the representations and warranties in this clause.

21.6 Indemnity

In consideration of Target entering into this document at the request of Bidder Guarantor, Bidder Guarantor (as primary obligor) must unconditionally indemnify Target against, and must pay Target on demand the amount of, any loss that Target may suffer because:

- (a) **(unenforceable)** the Guaranteed Obligations are unenforceable;
- (b) **(unrecoverable)** the Guaranteed Money is not recoverable from Bidder or is repaid or restored after it has been recovered; or
- (c) **(Warranties inaccurate or misleading or deceptive)** any of the Bidder Warranties is untrue, incomplete or accurate, or is misleading or deceptive, or likely to mislead or deceive,

including the amount of any Guaranteed Money (or any money which, if recoverable, would have formed part of the Guaranteed Money) that is not or may not be recoverable from Bidder.

21.7 Application of the indemnity

The indemnity in clause 21.6 extends to any money that is not recoverable:

- (a) **(incapacity)** because of any legal limitation, disability or incapacity of or affecting Bidder; or
- (b) **(unenforceable)** because any transaction relating to that money was void, illegal, voidable or unenforceable.

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21.8 Expiry of Guarantee

Notwithstanding anything to the contrary contained in this document, Bidder Guarantor will have no liability under this clause 21 or in Schedule 8 following payment by Bidder or Bidder Guarantor of the Subscription Price.

22. TERMINATION

22.1 Termination for material breach

A party (the **Terminating Party**) may terminate this document at any time by notice to the other party if:

- (a) the other party is in breach of any clause of this document, which breach is material in the context of the Transaction;
- (b) the Terminating Party has given notice to the other party setting out full details of the material breach and stating an intention to terminate this document; and
- (c) the material breach has continued to exist for 5 Business Days from the time such notice was given.

For the avoidance of doubt, this clause 22.1 does not apply to the non-satisfaction of any Subscription Conditions Precedent (so long as the applicable party complies with clause 3.3), which is dealt with in clause 22.2.

22.2 Termination for non-satisfaction of Subscription Conditions Precedent

If either of the following occurs:

- (a) the Subscription Conditions Precedent are not satisfied or waived under clause 3.2 on or before the End Date; or
- (b) both parties (both acting reasonably and in good faith) agree that it is evident that any of the Subscription Conditions Precedent will not be satisfied on or before the End Date,

then either party may terminate this document by giving written notice to the other party at any time on or before the fifth Business Day after the End Date.

22.3 Other termination rights

- (a) Target may terminate this document at any time by notice to Bidder if Bidder fails to lodge the bidder's statement with ASIC or dispatch offers under the Bid to holders of Target Shares in accordance with the Corporations Act, or withdraws the Offer for any reason including non-satisfaction of a Condition.
- (b) Bidder may terminate this document at any time by notice to Target if Target recommends a Competing Proposal.

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22.4 Effect of termination

Termination of this document will not affect:

- (a) clauses 1, 19, 20, 21, 23 and 25, and this clause 22, which survive termination; and
- (b) any liability of a party arising under or for breach of this document prior to its termination.

23. NOTICES

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail or fax. If it is sent by mail, it is taken to have been received 3 working days after it is posted. If it is sent by fax, it is taken to have been received when the addressee actually receives it in full and in legible form.
- (b) A person's address and fax number are those set out below, or as the person notifies the sender:

**Gold One
International
Limited**

Address: Level 3
100 Mount Street
NORTH SYDNEY NSW 2060

Fax number: +61 2 9963 6499

Attention: Company Secretary

With a copy to:

Address: 1st Floor
45 Empire Road
PARKTOWN
GAUTENG 2193

Fax number: +27 11 726 1087

Attention: Managing Director

**BCX Gold
Investment
Holdings Ltd**

Address: C/- Mallesons Stephen Jaques
Level 61, Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

Fax number: +61 2 9296 3999

Attention: M&A Practice Team Leader

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With a copy to
 Address: C/- Suite 2111 Oriental Plaza
 1 Chang An Avenue
 Beijing, China 100738
 Fax number: +86 10 85151866
 Attention: Alex Yao

Baiyin Non-Ferrous Group Co. Ltd

Address: C/- Mallesons Stephen Jaques
 Level 61, Governor Phillip Tower
 1 Farrer Place
 SYDNEY NSW 2000
 Fax number: +61 2 9296 3999
 Attention: M&A Practice Team Leader
 With a copy to
 Address: 96 Youhao Road,
 Baiyin District, Gansu, China
 Fax number: +86 10 85151866
 Attention: Liao Ming

24. AMENDMENT AND ASSIGNMENT

24.1 Amendment

This document can only be amended or replaced by another document executed by the parties.

24.2 Assignment

A party may only assign, declare a trust over or otherwise deal with its rights under this document with the written consent of the other party.

25. GENERAL

25.1 Application

- (a) Subject to paragraph (b), any dispute or difference between Target and Bidder arising out of or in connection with this document, including any dispute or difference as to the formation, validity, existence or termination of this document (**Dispute**), must be resolved by:
- (i) to the extent the Dispute can be heard and is within the jurisdiction of the Takeovers Panel, the relevant proceedings of the Takeovers Panel; and
 - (ii) in any other case, arbitration in accordance with the rules of the Australian Centre for International Commercial Arbitration

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(**ACICA Arbitration Rules**) (which are deemed to be incorporated by reference into this clause).

- (b) If the Dispute is to be resolved by arbitration under clause 25.1(a)(ii), the seat of the arbitration will be Perth, Western Australia, and the language of the arbitration will be English.

25.2 **Model Law applies**

The UNCITRAL Model Law on International Commercial Arbitration as adopted by the *International Arbitration Act 1974* shall apply to any arbitration conducted under clause 25.1(a)(ii). Except to the extent that they are inconsistent with the ACICA Arbitration Rules the optional provisions in Division 3 of the *International Arbitration Act 1974* shall apply to any arbitration conducted under clause 25.1(a)(ii).

25.3 **Continuance of performance**

Despite the existence of a Dispute, the parties must continue to perform their respective obligations under this document.

25.4 **Governing law**

- (a) This document is governed by the law of Western Australia.
- (b) Subject to clause 25.1, each party submits to the jurisdiction of the courts of Western Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document.

25.5 **Serving documents**

Without preventing any other method of service, any document required to be served for any action, Dispute, claim, or any other proceeding in connection with this document may be served on a party by being delivered to or left at that party's address as set out in clause 23(b).

Bidder appoints Mallesons Stephen Jaques of Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW, 2000 as its agent to receive service of process for any proceedings in connection with this document. Bidder undertakes to maintain this appointment (or another appointment notified to Target in writing and reasonably acceptable to Target) until the end of the period being 24 months from Completion of the Transaction, and agrees that any such process served on that person is taken to be served on it. Any process served on Bidder must be copied to Bidder at the address referred to in clause 23(b).

25.6 **Liability for expenses**

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

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25.7 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter other than the Confidentiality Agreement. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

25.8 GST on claims

- (a) Words defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) have the same meaning in this clause.
- (b) If a party provides a payment for or any satisfaction of a claim or a right to claim under or in connection with this document (for example, for a breach of any warranty or under an indemnity) that gives rise to a liability for GST, the provider must pay, and indemnify the recipient on demand against, the amount of that GST.
- (c) If a party has a claim under or in connection with this document for a cost on which that party must pay an amount for GST, the claim is for the cost plus the amount for GST (except any amount for GST for which that party is entitled to an input tax credit).

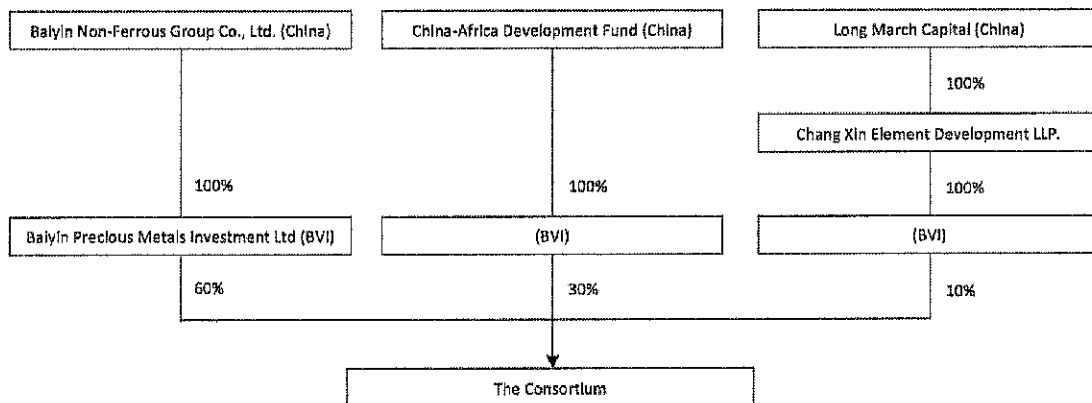
25.9 Counterparts

This document may be executed in counterparts.

Schedule 1

DETAILS OF CONSORTIUM OF INVESTORS

Structure



Member	Shareholders	Beneficial Owner	Consortium Ownership	Voting Control
Baiyin	CITIC Guoan 41.1% Gansu Provincial State Assets Commission 39.4% Gansu Xinye State Asset Administration Company 7.3% Xinda Asset Management 6.8% CITIC Group 3.7% Dongfang Asset Management Co 0.80%	Government of People's Republic of China	60%	60%

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Huarong Asset
Management Co
0.38%

Gansu Economic
Cooperation Co
0.36%

Changcheng Asset
Management Co
0.14%

CAD Fund	China Development Bank	Government of People's Republic of China	30%	30%
Long March Capital (China)	Long March Capital Limited	Alex Yao 50% Clement Kwong 50%	10% on behalf of Chang Xin Element Development LLP	10%

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Schedule 2

APPLICATION FOR SUBSCRIPTION SHARES / ADJUSTMENT SUBSCRIPTION SHARES

[Note: The appropriate wording will need to be chosen from the form below depending on whether Bidder is applying for Tranche 1 or Tranche 2 of the Base Subscription Shares and the Additional Subscription Shares on the Subscription Completion Date or Adjustment Subscription Shares (if any) on the Adjustment Subscription Completion Date.]

To: Gold One International Limited (**Company**)
Level 3
100 Mount Street
NORTH SYDNEY NSW 2060

Attention: Company Secretary

[date]

Dear Sirs

**Application for [Subscription Shares / Adjustment Subscription Shares]
pursuant to the Transaction Implementation Agreement**

BCX Gold Investment Holdings Ltd:

1. **applies, and agrees to subscribe, for [Tranche 1 and Tranche 2 of the Base Subscription Shares / [●] Additional Subscription Shares / the Adjustment Subscription Shares]; and**
2. **[agrees to pay the Subscription Price upon Subscription Completion],**

in accordance with the Transaction Implementation Agreement between the Company and BCX Gold Investment Holdings Ltd dated **[date]** May 2011 (**Transaction Implementation Agreement**); and

3. **agrees to be bound by the terms of the constitution of the Company.**

Capitalised terms which are used but not defined in this application have the meaning given to them in the Transaction Implementation Agreement.

Yours faithfully

BCX Gold Investment Holdings Ltd

[insert execution panel]

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Schedule 3

AGREED BID TERMS

1. Offer Price

A\$0.55 per Target Share.

2. Offer Period

The initial closing date of the Offer will be 21 September 2011.

3. Securities subject to the Offer

- (a) The Offer will extend to all Target Shares that are issued before the end of the Offer Period as a result of the exercise of Target Options and the conversion of Target Convertible Bonds.
- (b) Target Shareholders may accept the Offer for all or only some of their Target Shares.

4. Announcement Date

Within 24 hours of signature of the Transaction Implementation Agreement between Target and Bidder.

5. Conditions

The Offer and any contract resulting from acceptance of the Offer, must be subject only to conditions substantially on the terms set out below.

(a) Target Shareholders' Resolution

The Target Shareholders' Resolution is approved by the requisite majority of Target Shareholders during the Condition Period.

(b) Minimum acceptance condition

During the Condition Period, Bidder has an aggregate interest in at least 60% (by number) of the Target Shares on issue at that time. For the purpose of determining under this condition the aggregate interest held by Bidder as a percentage of the Target Shares on issue at any relevant time, the following are to be taken into account:

- (i) in calculating the aggregate interest held by Bidder, the aggregate of the following:
 - (A) the relevant interests obtained by Bidder as a result of acceptances under the Offer;
 - (B) the Base Subscription Shares and the maximum possible number of Additional Subscription Shares (being 188,679,245 Target Shares) that would be

issued to Bidder if Subscription Completion were to occur; and

- (C) any other Target Shares which either Bidder, Bidder Guarantor or any related body corporate of either of them has purchased or agreed to purchase on or before the relevant time; and
 - (D) assuming:
 - (I) all Target Options held by any of Bidder, Bidder Guarantor or any related body corporate of either of them at the relevant time (if any) were exercised;
 - (II) all Target Convertible Bonds held by any of Bidder, Bidder Guarantor or any related body corporate of either of them at the relevant time (if any) were converted to Target Shares (at the conversion rate that would be applicable at the day after the Subscription Completion Date and as calculated in accordance with paragraph 5(b)(ii)(C)) subject, in any event, to a maximum of 361,606 Target Shares per Target Convertible Bond; and
- (ii) in calculating the total Target Shares on issue, assuming:
- (A) the Base Subscription Shares and the maximum possible number of Additional Subscription Shares (being 188,679,245 Target Shares) are issued;
 - (B) all Target Options on issue as at the relevant time were exercised;
 - (C) all Target Convertible Bonds on issue as at the relevant time were converted to Target Shares (at the conversion rate that would be applicable at the day after the Subscription Completion Date) subject, for the purpose of this calculation, to the conversion rate as at the date of this document being adjusted as a result of only the following events under the terms of the Target Convertible Bonds (**Bond Terms**):
 - (I) the issue of the Subscription Shares, assuming the issue of the maximum possible number of Additional Subscription Shares (being 188,679,245 Target Shares) to Bidder (in accordance with condition 6(b)(vi) of the Bond Terms); and

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- (II) a change of control (in accordance with condition 6(b)(x) of the Bond Terms);

and which, in any event, such calculation is limited to a maximum of 361,606 Target Shares per Target Convertible Bond; and

- (D) all Target Shares which, prior to the relevant time, have been agreed to be issued in connection with any Target Project, are issued.

(c) Foreign investment approval

Bidder receives written notice issued by or on behalf of the Australian Treasurer during the Condition Period stating that there are no objections under the Australian Government's foreign investment policy to the acquisition by Bidder of up to a 100% interest in Target, such notice being unconditional.

(d) No Prescribed Events

None of the following events happens during the Condition Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way, except in the case of the Goliath Distribution In Specie if Target elects to implement that distribution by way of a reduction in share capital;
- (iii) Target or a subsidiary of Target:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares other than Target Shares issued:
 - (A) under the terms of this document;
 - (B) under the terms of acquisition of any Target Projects in accordance with clause 15.1; or
 - (C) as a result of exercise or conversion of Target Options or Target Convertible Bonds,

or grants an option over its shares, or agrees to make such an issue or grant such an option;

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- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property, except in the case of the Goliath Transaction and Goliath Distribution In Specie;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) a liquidator or provisional liquidator of Target or of a subsidiary of Target is appointed;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement;
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target;
- (xiv) Target or a subsidiary of Target adopts a new constitution or modifies or repeals its constitution or a provision of it, except the amendments to Target's constitution proposed to be adopted at Target's Annual General Meeting;
- (xv) Target or a subsidiary of Target enters into a Material Contract, other than one contemplated by, or deemed necessary or desirable (by Target, acting reasonably) in connection with, any Target Project undertaken in accordance with clause 15.1;
- (xvi) Target ceases to be admitted to the official list of ASX or JSE;
or
- (xvii) a provisional or final judicial manager under Chapter XV of the *South African Companies Act, 1973* or a business rescue practitioner under Chapter 6 of the *South African Companies Act, 2008* is appointed for a South African subsidiary of Target.

(e) Regulatory approvals

During the Condition Period, Bidder receives all Approvals which are required by Law or by any Public Authority to permit:

- (i) the Offer to be made to and accepted by Target Shareholders;
- (ii) Bidder to acquire the Subscription Shares and the Adjustment Shares,

and those Approvals are on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those Approvals.

(f) Third party consents

During the Condition Period, any additional Approvals of a third party (not covered under paragraph 5(e) above) to permit the Transaction and the Adjustment Subscription to complete and the Offer to be made and accepted by Target Shareholders are obtained on an unconditional basis. Those approvals remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those approvals.

(g) Distributions

During the Condition Period, Target does not make or declare, or announce an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie), except for the Goliath Distribution in Specie.

(h) No action by Public Authority adversely affecting Bid

During the Condition Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; and
- (ii) no application is made to any Public Authority (other than an application by Bidder or a related body corporate of Bidder, an application under section 657C or 657G of the Corporations Act, or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Offer), or action or investigation is announced, threatened or commenced by a Public Authority,

in consequence of, or in connection with, the Transaction (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), and there is no change in law which:

- (iii) restrains, prohibits or impedes (or if granted could restrain, prohibit or impede), or otherwise materially adversely impacts

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on, the making of the Transaction or the completion of any transaction contemplated by the Transaction or the rights of Bidder in respect of Target and the Target Shares to be acquired under the Transaction and the potential Adjustment Subscription; or

- (iv) requires the divestiture by Bidder of any Target Shares, or the divestiture of any assets of Target or a subsidiary of Target, Bidder or a related body corporate of Bidder or otherwise.

(i) No persons exercising rights under certain agreements or instruments

During the Condition Period, no person exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any Material Contract or other instrument to which a member of Target Group is a party, or by or to which a member of Target Group or any of its assets may be bound or be subject, which results, or could result, to an extent which is material in the context of Target Group (taken as a whole), in:

- (i) any monies borrowed by a member of Target Group being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
- (ii) any such agreement or other instrument being terminated or modified or any action being taken or arising thereunder;
- (iii) the interest of a member of Target Group in any firm, joint venture, trust, corporation or other entity or asset (or any arrangements relating to such interest) being terminated, sold or modified in a materially adverse respect; or
- (iv) the business of a member of Target Group with any other person being adversely affected in a material respect,

as a result of the Subscription or the acquisition of Target Shares by Bidder;

(j) No material acquisitions, disposals or new commitments

Except for any proposed transaction publicly announced by Target before the date of this document or any Target Project undertaken in accordance with clause 15.1, none of the following events occurs during the Condition Period:

- (i) Target or a subsidiary of a Target acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than 10% of Target's net assets as stated in the balance sheet of Target's

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audited accounts for the financial year ended 31 December 2010 or makes an announcement in relation to such an acquisition, offer or agreement;

- (ii) a member of Target Group disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount, or in respect of which the book value (as recorded in Target's statement of financial position as at 31 December 2010) is, in aggregate, greater than 10% of Target's net assets as stated in the balance sheet of Target's audited accounts for the financial year ended 31 December 2010 or makes an announcement in relation to such a disposition, offer or agreement;
- (iii) a member of Target Group enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, partnership, management agreement or commitment which would require expenditure, or the foregoing of revenue, by Target and/or its subsidiaries of an amount which is, in aggregate, more than 10% of Target's net assets as stated in the balance sheet of Target's audited accounts for the financial year ended 31 December 2010, other than in the ordinary course of business, or makes an announcement in relation to such an entry, offer or agreement; or
- (iv) a member of Target Group becomes a party to any agreement, joint venture, partnership, management agreement or commitment with a Related Party (or an existing agreement, joint venture, partnership, management agreement or commitment with a Related Party is amended or extended) under which a member of Target Group gives or proposes to give to the Related Party a financial benefit of an amount which is (in aggregate) more than A\$50,000.

(k) No material adverse change

No change, effect, event, occurrence, state of facts or development (each an **Event**) occurs during the Condition Period which has, or would be reasonably expected to have, a material adverse impact on the trading or financial condition of Target, and including any of the following:

- (i) two or more members of the Target Executive Team or Neal Froneman ceases to be in full time employment of Target;
- (ii) (**index decline**) the S&P ASX 200 Index falls to a level that is 80% or less of the level as at the close of trading on the Business Day immediately before the date of this document and remains at or below that 80% level for at least 15 consecutive Business Days;

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- (iii) **(gold price decline)** the London bullion price on the London Metal Exchange falls to a level that is 80% or less of the price of gold in US\$/troy ounces as determined by Members of The London Gold Market Fixing Limited at 3pm London local time on the Business Day immediately before the date of this document and remains at or below that 80% level for at least 15 consecutive Business Days;
- (iv) a natural disaster materially and directly affecting the operations of Target Group for a period of at least 15 Business Days;
- (v) a change in any applicable laws or regulations which would result in a material impairment of the cost structure of Target Group;

but, for the avoidance of doubt, does not include any Event:

- (i) required or specifically permitted by this document; or
- (ii) that occurs with the written consent of Bidder.

(l) Independent Expert's conclusion

During the Condition Period, Independent Expert concludes in the Independent Expert's Report that the Transaction and the potential Adjustment Subscription is fair and reasonable to Target Shareholders and maintains that conclusion.

(m) Directors Recommendation

During the Condition Period, Target Board does not withdraw or change the Initial Recommendation.

(n) Other persons acquiring a relevant interest

During the Condition Period, no person or persons (other than any associate of Bidder) acquires a relevant interest in 20% or more of the Target Shares.

(o) (Target Projects – share consideration) During the Condition Period and in relation to a Target Project, Target does not enter into binding arrangements which involve the issue or, or agreement to issue, Target Shares at an issue price lower than the Offer Price, provided that this Condition 5(o) does not apply to any arrangements in respect of the Goliath Transaction.

(p) (Target Projects – size) During the Condition Period and in relation to a Target Project, Target does not enter into binding arrangements which involve the aggregate consideration payable by Target for an individual Target Project being more than 5% of the market capitalisation of Target (determined by multiplying the total number of Target Shares then on issue by the closing price of a Target Share

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on ASX) on the date Target enters into binding arrangements in relation to that Target Project, provided that this Condition 5(p) does not apply to any arrangements in respect of the Goliath Transaction.

- (q) **(material breach)** During the Condition Period, Target is not in material breach of clause 9 or 10 of this document and Bidder does not terminate this document pursuant to clause 22.1 as a result.

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Schedule 4

TIMETABLE

Event	Date
Joint announcement of Transaction	Monday, 16 May 2011
Bidder to apply for FIRB Approval	Tuesday, 17 May 2011
Bidder to apply for all PRC Approvals and Competition Authorities Approval	Monday, 30 May 2011
<ul style="list-style-type: none"> • Bidder lodges bidder's statement with ASIC and serves it on ASX and Target • Bidder dispatches bidder's statement to Target Shareholders • Target lodges target's statement with ASIC and serves it on ASX and Bidder • Target dispatches target's statement to Target Shareholders • Target dispatches Notice of Meeting 	Wednesday, 22 June 2011
Offer Period commences	Wednesday, 22 June 2011
Target Shareholders' Meeting held	Friday, 22 July 2011
Initial closing date of Offer	Wednesday, 21 September 2011
Subscription Completion Date	Wednesday, 28 September 2011

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Schedule 5

CALCULATION OF NUMBER OF ADJUSTMENT SUBSCRIPTION SHARES

The number of Adjustment Subscription Shares is a number between 0 and 492,002,621, which must be calculated in accordance with this Schedule 5 on the date two Business Days before the Adjustment Subscription Completion Date (**Adjustment Calculation Date**).

For the avoidance of doubt, the number of Adjustment Subscription Shares must never exceed 492,002,621, so that, if the calculation made on the Adjustment Calculation Date in accordance with this Schedule 5 resulted in a number of Adjustment Subscription Shares that was in excess of 492,002,621, the number of Adjustment Subscription Shares would nevertheless be deemed to be 492,002,621.

1. Adjustment Subscription Share Formula

$$\begin{array}{l} \text{Number of} \\ \text{Adjustment} \\ \text{Subscription} \\ \text{Shares} \\ \text{(pre-} \\ \text{reduction} \\ \text{event} \\ \text{calculation)} \end{array} = \frac{\text{Grossed-up Acquisition Cost / Target Production * Production Shortfall}}{\text{Blended Entry Price}}$$

Each component of this formula to be calculated on the Adjustment Calculation Date is set out below. The final number of Adjustment Subscription Shares is subject to the reduction set out in paragraph 6.

2. Grossed-Up Acquisition Cost

Grossed-up Acquisition Cost is calculated as follows:

$$\begin{array}{l} \text{Grossed-up} \\ \text{Acquisition} \\ \text{Cost} \end{array} = \frac{\text{Total Acquisition Cost}}{\text{Bidder's Fully Diluted Percentage Shareholding}}$$

2.1 Bidder's Fully Diluted Percentage Shareholding

For the purpose of determining the aggregate interest held by Bidder as a percentage of the Target Shares on issue on a fully diluted basis on Completion of the Transaction (**Bidder's Fully Diluted Percentage Shareholding**), the following are to be taken into account:

- (a) **(Total Target Shares Acquired)** in calculating the total number of Target Shares held by Bidder on a fully diluted basis, the aggregate

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of the following number of Target Shares (**Total Target Shares Acquired**):

- (i) all Target Shares acquired by Bidder under the Subscription and as a result of acceptances under the Offer (which, for the avoidance of doubt, must have taken place by Completion of the Transaction);
 - (ii) any other Target Shares which either Bidder, Bidder Guarantor or any related body corporate of either of them holds or agrees to purchase on or before Completion of the Transaction; and
 - (iii) assuming:
 - (A) all Target Options held, or agreed to be purchased, by any of Bidder, Bidder Guarantor or any related body corporate of either of them on Completion of the Transaction (if any) were exercised; and
 - (B) all Target Convertible Bonds held, or agreed to be purchased, by any of Bidder, Bidder Guarantor or any related body corporate of either of them on Completion of the Transaction (if any) were converted to Target Shares (at the conversion rate applicable on the day after the Subscription Completion Date and as calculated in accordance with paragraph 2.1(b)(ii)) subject, in any event, to a maximum of 361,606 Target Shares per Target Convertible Bond;
- (b) (**total Target Shares on issue**) in calculating the total Target Shares on issue on a fully diluted basis on Completion of the Transaction, assuming:
- (i) all Target Options on issue as at Completion of the Transaction were exercised;
 - (ii) all Target Convertible Bonds on issue as at Completion of the Transaction were converted to Target Shares (at the conversion rate applicable on the day after the Subscription Completion Date) subject, for the purpose of this calculation, to the conversion rate as at the date of this document being adjusted as a result of only the following events under the terms of the Target Convertible Bonds (**Bond Terms**):
 - (A) the issue of the Subscription Shares (in accordance with condition 6(b)(vi) of the Bond Terms); and
 - (B) a change of control (in accordance with condition 6(b)(x) of the Bond Terms);

and which, in any event, such calculation is limited to a maximum of 361,606 Target Shares per Target Convertible Bond; and

- (iii) all Target Shares which, prior to Completion of the Transaction, have been agreed to be issued in connection with any Target Project, are issued.

2.2 Total Acquisition Cost

Total Acquisition Cost is calculated by aggregating the following amounts in Australian dollars:

- (a) the cost of purchasing all Target Shares described under paragraphs 2.1(a)(i) and 2.1(a)(ii);
- (b) the cost of purchasing all the Target Options and Target Convertible Bonds described under paragraph 2.1(a)(iii); and
- (c) the cost of exercising all the Target Options (ie the aggregate exercise price) and converting all the Target Convertible Bonds (ie the aggregate conversion price) described under paragraph 2.1(a)(iii).

3. Target Production

Target Production means 120,000 ounces, being the number of ounces of annual gold production of Target targeted for the financial year ended 31 December 2011.

4. Production Shortfall

Production Shortfall means the number of ounces that is the difference between Target Production and Actual Production, **provided that**, regardless of the amount of the Actual Production, the amount of the Production Shortfall for the purpose of this calculation must not exceed 36,000.

4.1 Target Production

Target Production has the meaning set out in paragraph 3.

4.2 Actual Production

Actual Production means the actual number of ounces of annual gold production of Target for the financial year ended 31 December 2011 (excluding the number of ounces produced under any Target Project that is not directly attributable to Target's existing operations as at the date of this document), as set out in the financial results of Target published and announced for that financial year.

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5. Blended Entry Price

Blended Entry Price is calculated as follows:

$$\text{Blended Entry Price} = \frac{\text{Total Acquisition Cost}}{\text{Total Target Shares Acquired}}$$

5.1 Total Acquisition Cost

Total Acquisition Cost has the meaning set out in paragraph 2.2.

5.2 Total Target Shares Acquired

Total Target Shares Acquired has the meaning set out in paragraph 2.1(a).

6. Reduction for Events Outside of Target's Control

6.1 Reduction

To the extent that the Production Shortfall is attributable, in whole or in part, to one or more of the following (**Events Outside of Target's Control**):

- (a) a force majeure event;
- (b) without limiting paragraph 6.1(a) above, any natural disasters or acts of terrorism;
- (c) without limiting paragraphs 6.1(a) and 6.1(b) above, a prolonged period of interruption in the level of supply of electricity, other power sources, water, or any other critical factor of production for any reason outside of Target's immediate control or beyond reasonable means of prevention;
- (d) a prolonged employee or contractor strike for any reason outside of Target's immediate control or beyond reasonable means of prevention;
- (e) any alteration to the mine plans or business plans of Target, or any other act or thing in connection with Target's operations, made at the request of, or with the fully informed consent of, Bidder; or
- (f) any other event that is not within the reasonable control of Target,

then the number of Adjustment Subscription Shares (pre-reduction event calculation) calculated under paragraph 1 will be reduced by the following formula:

$$\text{Number of Adjustment Subscription Shares} = \text{Number of Adjustment Subscription Shares (pre-reduction event calculation)} * (1 - \text{Event Factor})$$

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Where:

Number of Adjustment Subscription Shares (pre-reduction event calculation) means the number of Adjustment Subscription Shares calculated under paragraph 1.

Event Factor means the extent to which the Production Shortfall is solely or predominantly attributable, in whole or in part, to one or more of the Events Outside of Target's Control, expressed as a percentage that is to be agreed between Bidder and Target (acting reasonably).

6.2 Event Factor dispute

- (a) If there is a dispute between Bidder and Target as to the value of the Event Factor, the dispute must be referred to an expert (**Appointed Expert**) being:
 - (i) a person agreed between the parties, being an independent chartered accountant with not less than 10 years experience as a practising chartered accountant in private practice in Australia, as agreed between Bidder and Target; or
 - (ii) failing agreement between Bidder and Target under paragraph 6.2(a)(i) within two Business Days of a party seeking that agreement, a person nominated at the request of Bidder and Target by the President of the Institute of Arbitrators and Mediators Australia.
- (b) Bidder and Target must instruct the Appointed Expert to determine the value of the Event Factor within 10 Business Days.
- (c) In determining the dispute, the Appointed Expert will act as an expert and not an arbitrator.
- (d) The determination of the Appointed Expert will, in the absence of manifest error, be final and binding on Bidder and Target.
- (e) The Appointed Expert's fees will be borne equally by both parties, unless the Appointed Expert determines otherwise.

WORKED EXAMPLE

The following worked example calculates the number of Adjustment Subscription Shares assuming the following inputs are true on the Adjustment Calculation Date:

Input	Unit	Value
Production Target	Ounces	120,000
Production Shortfall	Ounces	20,000
Total Target Shares Acquired	Target Shares	893,000,000
Total Target Shares on Issue	Target Shares	1,451,329,492
Total Acquisition Cost	Australian Dollar	A\$432,046,213
Event Factor	Percentage	40%

For the purpose of displaying the calculated values in this worked example, some of the figures in steps 1 to 4 below have been rounded. However, the final calculation of the number of Adjustment Subscription Shares in this worked example, as set out below, reflects the true number of Adjustment Subscription Shares that would be calculated, based on the inputs set out above and if there were no rounding limitations whatsoever.

Step 1

$$\text{Bidder's Fully Diluted Percentage Shareholding} = \frac{893,000,000}{1,451,329,492} = \mathbf{61.53\%}$$

The total Target Shares on issue is the fully diluted number of Shares on issue on a fully diluted basis, assuming that all convertible instruments are converted to Target Shares in accordance with paragraph 2.1(b). Similarly, the Total Target Shares Acquired is calculated on a fully diluted basis in accordance with paragraph 2.1(a).

Step 2

$$\text{Blended Entry Price} = \frac{\text{A\$432,046,213}}{893,000,000} = \mathbf{\text{A\$0.4838}}$$

The Total Acquisition Cost should be calculated in accordance with paragraph 2.2.

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Step 3

$$\text{Grossed-Up Acquisition Cost} = \frac{\text{A\$432,046,213}}{61.53\%} = \text{A\$702,174,032}$$

Step 4

$$\text{Number of Adjustment Subscription Shares (pre-reduction event calculation)} = \frac{\text{A\$702,174,032} / 120,000}{* 20,000} = 241,888,249$$

$$\text{Number of Adjustment Subscription Shares} = \frac{241,888,249}{\$0.4838} = 499,975,699$$

Step 5

$$\text{Number of Adjustment Subscription Shares} = 241,888,249 * (1 - 40\%) = 145,132,949$$

The Event Factor used for this worked example is 40%, meaning that, under this worked example, Bidder and Target have agreed that the Production Shortfall of 20,000 ounces was 40% attributable to one or more of the Events Outside of Target's Control.

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Schedule 6

TARGET GROUP

Name of subsidiary	ABN/ACN /ARBN/ reg no	Place of Incorporation (if not Australia)	Registered office (if different to Target)	Issued capital	Registered shareholders	Date of formation	Directors and officers
Gold One Africa Limited	1984/006179/06	South Africa		665,017,784	Gold One International Limited	18 June 1984	Neal Froneman Christopher Chadwick Izak Marais Sandile Zungu Sandile Swana Pierre Kruger
New Kleinfontein Mining Company Limited	1996/002710/07	South Africa		188,028,148	Gold One Africa Limited	4 March 1996	Neal Froneman Pierre Kruger
New Kleinfontein Goldmine (Pty) Ltd	1998/007350/07	South Africa		120	New Kleinfontein Mining Company Limited	20 April 1998	Neal Froneman Izak Marais Pierre Kruger
New Kleinfontein Gold Claims (Pty) Ltd	1992/005188/07	South Africa		1	New Kleinfontein Goldmine (Pty) Ltd	9 September 1992	Neal Froneman Izak Marais Pierre Kruger
Etendeka Prospecting and Mining Company (Pty) Ltd	2003/290	Namibia	3rd Floor 244 Independent Avenue, Windhoek	100	Gold One Africa Limited	11 April 2003	Izak Marais Pierre Kruger
Gold One Mozambique Lda	NUIT 400155951	Mozambique	Avenida Kenneth Kuanda No. 592 CP. 1839 Maputo	20,000 Meticals	Gold One Africa Limited (97.5%) New Kleinfontein Mining Company Limited (2.5%)	16 February 2006	Izak Marais Christopher Chadwick Pierre Kruger

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Name of subsidiary	ABN/ACN /AREN/ reg no	Place of incorporation (if not Australia)	Registered office (if different to Target)	Issued capital	Registered shareholders	Date of formation	Directors and officers
Twin Hills Operations (Pty) Ltd	064 698 504			510	Gold One International Limited	14 July 1994	Mark Wheatley Ken Winters
Australian Silicon Operations (Pty) Limited	091 097 675			10	Gold One International Limited	5 January 2000	Mark Wheatley Ken Winters

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Schedule 7

TARGET EXECUTIVE TEAM

1. BACKGROUND

The following arrangements (**Arrangements**) have been agreed by the Target with the Bidder and the Bidder's Guarantor in relation to the compensation of the Target Executives and management (**Management**).

The Arrangements are intended to ensure that key executives are retained by Target notwithstanding the anticipated change of control of Target. Retention of Management is a key consideration of the Bidder in determining to proceed with the Transaction.

2. INTERPRETATION

2.1 Definitions

In addition to the definitions set out in clause 1.1 of this document, the following definitions apply in this Schedule 7:

Bonus Amount has the meaning in paragraph 6.2(a).

Bonus Instalments has the meaning in paragraph 6.2(b).

Executive Offer Period means the period of one year starting from the date which is two years from Completion of the Transaction.

Executive Offer Price means the Offer Price.

Executive Options means the Target Options held by an Executive as at the date of this document.

Executive Vice Presidents means the persons from time to time appointed to the position of executive vice president, such positions to be created on or after the date of this document by Target at the initiative of the Chief Executive Officer, Target Board or, if in existence at the time of such creation, an executive appointments committee, and with the consent of each of those persons or entities.

Target Executive Team means the persons holding a position in one the following categories on or after the date of this document:

- (a) Chief Executive Officer;
- (b) Executive Vice Presidents; and
- (c) Senior Vice Presidents.

and **Executive** means any one of those persons.

Remaining Executive Options has the meaning in paragraph 4.2.

Senior Vice Presidents means the persons holding one of the following positions on or after the date of this document:

- (d) Chief Financial Officer;
- (e) Senior Vice President: RSA Operations;
- (f) Senior Vice President: Projects and Exploration;
- (g) Senior Vice President: Business Development; or
- (h) Senior Vice President: General Counsel and Company Secretary,

and any other senior vice president positions created on or after the date of this document by Target at the initiative of the Chief Executive Officer, Target Board or, if in existence at the time of such creation, an executive appointments committee, and with the consent of each of those persons or entities.

2.2 Application

- (a) This paragraph 2 and paragraphs, 1, 3, 4.1 and 9 operate from the date of the document.
- (b) Subject to paragraph 2.2(a), all other paragraphs of this Schedule 7 do not operate unless and until each of the following occurs:
 - (i) the Bid has become unconditional and the Offer Period has subsequently ended; and
 - (ii) Bidder, Bidder Guarantor and any related body corporate of either of them being the registered holders of, in aggregate, at least 50.1% of the total issued Target Shares.

3. IMPLEMENTATION OF THE ARRANGEMENTS

- (a) The Target, Bidder and Bidder's Guarantor acknowledge that the Target Executives are not party to this document. However, Target, Bidder and the Bidder's Guarantor will use their respective reasonable endeavours to ensure that the Target Executives compensation package will be implemented materially in accordance with the principles expressed in this schedule, and that both the principles set out here in and the final plan of implementation will require the approval of the Target's remuneration committee.
- (b) The parties acknowledge and agree that the payments and incentives take into account the fact that the roles and responsibilities of those executives are expected to increase as a result of the further expansion of the Target and the new projects that Target is expected to pursue, and may entail the addition of new members of senior experience into the team of Target Executives eligible to receive compensation under these arrangements.

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- (c) The parties agree and acknowledge that the addition of new members to the team of Target Executives shall be made with the agreement of the Chief Executive Officer, Target Board and an appointments committee, if any is established.
- (d) Subject to paragraph 3(e) below, the parties also agree that the plan implementation may be drafted by and will be subject to the review and guidance by a reputable third party executive compensation firm, which will advise both the Target Board and the remuneration committee thereon and to ensure that the provisions set forth herein are in line with or above prevailing industry standards.
- (e) Notwithstanding any other provision of this Schedule 7, the parties agree that the retention bonus arrangements set out in clause 6 are in agreed form and are not subject to further change or review. For avoidance of doubt, those executives which have received or will receive any payments pursuant to their existing service agreements or employment contracts in respect of a event of change of control of the Target will not be eligible for retention bonuses payable pursuant to clause 6.

4. TREATMENT OF EXECUTIVE OPTIONS

4.1 Exercise of Executive Options for acceptance into Bid

- (a) Each party acknowledges that the Executive Options may be exercised during the Offer Period.
- (b) Subject to the Listing Rules, Corporations Act and any other applicable Law, during the Offer Period, Target agrees to use its reasonable endeavours to procure that each Executive:
 - (i) exercises no more than 50% of the Executive Options held by it; and
 - (ii) accepts into the Bid in respect of all Target Shares acquired through the exercise of the Executive Options under paragraph 4.1(b)(i).

4.2 Treatment of Remaining Executive Options and Executive Restricted Shares

Subject to paragraph 4.2(b), Target agrees to use its reasonable endeavours to procure that each Executive does not transfer, or otherwise dispose of:

- (a) the balance of the Executive Options not exercised under paragraph 4.1(b)(i) (**Remaining Executive Options**); or
- (b) any Target Shares acquired through the exercise of any of the Remaining Executive Options (**Restricted Executive Shares**),

for a period of two years after Completion of the Transaction.

4.3 Offer for Remaining Executive Options and Executive Restricted Shares

Subject to obtaining any necessary regulatory or shareholder Approvals, during the Executive Offer Period:

- (a) to the extent the Executive holds any Remaining Executive Options:
 - (i) Bidder must offer to purchase all Remaining Executive Options held by the Executive at a price being the difference between the Executive Offer Price and the exercise price of each relevant Remaining Executive Option; or
 - (ii) Bidder must offer to pay the difference between the Executive Offer Price and the exercise price of each relevant Remaining Executive Option in consideration for the cancellation of all Remaining Executive Options held by the Executive; and
- (b) to the extent the Executive holds any Restricted Executive Shares:
 - (i) Bidder must offer to purchase all the Restricted Executive Shares held by the Executive for the Executive Offer Price; or
 - (ii) Target must offer to buy-back the Restricted Executive Shares held by the Executive for the Executive Offer Price.
- (c) For the avoidance of doubt:
 - (i) this paragraph 4.3 applies to an Executive regardless of whether they remain in the employment of Target at any time before or during the Executive Offer Period; and
 - (ii) an Executive is not obliged to accept any of the offers set out in paragraphs 4.3(a) and 4.3(b).

5. EXECUTIVE REMUNERATION AND TERMS OF EMPLOYMENT

5.1 Executive remuneration

Bidder and Target agree that Target will, as soon as practicable, remunerate each Executive:

- (a) at a level the Bidder and Target determine (both in consultation and acting reasonably) is at or above industry standards relevant to Target from time to time with reference to the relevant peer group; and
- (b) despite paragraph 5.1(a), at a level that is no less than the current remuneration being provided to each Executive as at the date of this document.

5.2 Non-solicitation and restraint provisions

Bidder and Target agree to use their reasonable endeavours to negotiate with each Executive appropriate non-solicitation and restraint terms (which includes, for the avoidance of doubt, non-competition terms), which will be incorporated into the current terms of employment of each Executive.

6. RETENTION BONUS PAYMENTS

6.1 Offer of bonus arrangements

Bidder and Target agree that Target will, as soon as practicable, offer bonus arrangements on the terms set out in paragraph 6.2, in consideration of the increased responsibility of each Executive and as an incentive for each Executive to stay within the employment of Target.

6.2 Terms of bonus arrangements

(a) Bonus Amount

The total amount of the bonus to be paid to each Executive is as follows (**Bonus Amount**):

- (i) for the Chief Executive Officer, the equivalent of two years' salary at the rate set out in the current employment agreement of the Chief Executive Officer (as varied in writing), *plus* an additional 25% of that accumulated amount; and
- (ii) for each other Executive, the equivalent of one and a half years' salary at the rate set out in the current employment agreement of the relevant Executive (as varied in writing), *plus* an additional 25% of that accumulated amount.

(b) Timing of payment

The Bonus Amount for each Executive under paragraph 6.2(a) will be paid in the following instalments (**Bonus Instalments**):

- (i) within five Business Days after Completion of the Transaction – one third of the Bonus Amount;
- (ii) on the first anniversary of Completion of the Transaction – one third of the Bonus Amount; and
- (iii) on the second anniversary of Completion of the Transaction – one third of the Bonus Amount.

(c) Bonus Entitlements on termination

An Executive will be entitled to be paid any outstanding Bonus Instalments in the event of any of the following (each a Termination Event):

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- (i) in their entirety on termination by Target of an Executive without cause;
- (ii) in their entirety on an Executive being made redundant;
- (iii) in their entirety on termination of an Executive resulting from a material diminution in role;
- (iv) on a pro rata basis on termination by an Executive on good terms;
- (v) none on termination by Target of an Executive with cause.

7. ANNUAL BONUSES

The parties agree that annual bonuses, in line with those paid in the past years of operation of the Target, will continued to be paid pursuant to the satisfaction of key performance indicators (**KPIs**) as may be agreed between the Bidder, Target and each Executive, subject to the approval of the remuneration committee and the Board of Directors. Target may engage the services of a reputable third party executive compensation firm (to be agreed between the parties) to review and provide advice on what KPIs are appropriate having regard to the relevant industry standards and the roles, responsibilities and expertise of each Executive. These KPIs are contemplated by the parties to include, if and where appropriate, performance benchmarks in:

- (a) Revenue,
- (b) EBITDA,
- (c) Unit production costs,
- (d) Return on capital,
- (e) Return on equity,
- (f) Safety, and
- (g) Production level,

among others.

8. PERFORMANCE RIGHTS

8.1 Issue of Performance Rights

- (a) Bidder and Target agree to Target, as soon as practicable, issuing the Performance Rights to the Target Executive Team on the terms set out in paragraph 8.2.
- (b) For avoidance of doubt:
 - (i) the parties agree that the mechanisms and definitions set forth herein shall be subject to review and adjustment by a

reputable third party executive compensation firm, which will take into account considerations including but not limited to taxation, feasibility, impact on accounting, prevailing industry standards among others, and that the final plan shall be subject to approval of the remuneration committee and Target Board; and

- (ii) those members of the Executive Team participating as beneficiaries in the Performance Rights scheme shall not be eligible under any other incentive share scheme of Target.

8.2 Terms of Performance Rights

1.	DEEMED BASE VALUE OF GOLD ONE (BV)	<p>Total number of Target shares on issue on the date of Completion of Transaction multiplied by the Offer Price, <i>plus</i> the aggregate value of</p> <ul style="list-style-type: none"> a. any equity or equity-equivalent (including any security instrument which is convertible into equity) raisings undertaken by the Target, b. any equity raised through the exercise of options or conversion of any existing security into equity, c. and the cost to the Bidder, if any, of any financial assistance provided by or guaranteed by the Bidder, <p>between the Completion of the Transaction and the dates of each of the First Calculation (see item 4) and Second Calculation (see item 5), as the case may be.</p>
2.	INCENTIVE VALUE (IV)	<p>The average market capitalisation of Target (determined by multiplying the total number of Target Shares then on issue by the closing price of a Target Share on ASX, or any other primary exchange of listing of the Target at the time of calculation) over the 60 trading days immediately before the dates of each of the First Calculation (see item 4) and the Second Calculation (see item 5), as the case may be.</p>
3.	PERFORMANCE TRIGGERS	<p>Issue of the Performance Rights is only triggered if the Incentive Value must exceed a value equal to a compounded 12% increase over the Base Value on the dates of each of the First Calculation (see item 4) and Second Calculation (see item 5), as the case may be.</p>

4.	FIRST CALCULATION OF NUMBER OF TARGET SHARES ISSUED ON VESTING OF ALL PERFORMANCE RIGHTS	<p>Calculation Date: The third anniversary of Completion of the Transaction.</p> <p>Formula:</p> $CTS = \frac{(IV - BV) \times 0.055}{TSP}$ <p>Where:</p> <p>CTS = Number of Target Shares issued on vesting of all Performance Rights issued to the Target Executive Team.</p> <p>IV = Incentive Value</p> <p>BV = Base Value</p> <p>TSP = 60-day volume weighted average price of a Target Share up to the date immediately before the Calculation Date.</p>
5.	SECOND CALCULATION OF NUMBER OF TARGET SHARES ISSUED UNDER PERFORMANCE RIGHTS	<p>Calculation Date: The fifth anniversary of Completion of the Transaction.</p> <p>Formula:</p> $CTS = \frac{(IV - BV) \times 0.07}{TSP}$ <p>Where:</p> <p>CTS = Number of Target Shares issued on vesting of all Performance Rights issued to the Target Executive Team.</p> <p>IV = Incentive Value</p> <p>BV = Base Value</p> <p>TSP = 60-day volume weighted average price of a Target Share up to the date immediately before the Calculation Date.</p>
6.	PERFORMANCE RIGHTS VESTING PERIOD	Within 30 days after the date of the First Calculation, and if applicable, the Second Calculation.
7.	NUMBER OF TARGET SHARES TO BE ISSUED PURSUANT TO SECOND	If the number of Target Shares calculated in accordance with the Second Calculation (see item 5) exceeds the number of Target Shares calculated in accordance with the First Calculation (see item 4), then, subject to all other performance triggers

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	CALCULATION	being satisfied on the date of the Second Calculation, Target Executive Team will be issued additional Target Shares equal to the difference in the calculations described above.
8.	APPORTIONMENT	<p>Subject to the final approval of the remuneration committee, the number of Target Shares resulting from the vesting of all Performance Rights to be issued to the Target Executive Team will be apportioned to each category in the following manner:</p> <ul style="list-style-type: none"> • Chief Executive Officer – 25%; • Executive Vice Presidents – 65%; and • Senior Vice Presidents – 10%. <p>To the extent there is more than one person within each category set out above, the Target Shares are to be apportioned to the Executives within that category based on the:</p> <ul style="list-style-type: none"> • remuneration level; and • length of service, <p>of that Executive in comparison to the other Executives within that category, save that each Executive within the category of Senior Vice Presidents is entitled to a maximum portion of 2% of the total Target Shares. If there are less than five Executives within the category of Senior Vice Presidents at the time of apportionment, then the difference between 10% of the total Target Shares and the aggregate maximum entitlement of those Executives will be apportioned evenly between the categories of the Chief Executive Officer and the Executive Vice Presidents.</p>
9.	TERMINATION	<p>Performance Rights will vest for an Executive at a time before the dates of each of the First Calculation (see item 4) and Second Calculation (see item 5), as the case may be, in the event of any of the following (each a Termination Event):</p> <ul style="list-style-type: none"> • in their entirety on termination by Target of an Executive without cause; • on a pro rata basis on an Executive being made redundant;

		<ul style="list-style-type: none"> • on a pro rata basis on termination of an Executive resulting from a material diminution in role; • on a pro rata basis on termination by an Executive on good terms; • not at all on termination of an Executive for cause. <p>If a Termination Event occurs in relation to an Executive:</p> <ul style="list-style-type: none"> • the Performance Triggers set out in item 3 will be calculated from the date immediately before the date of the Termination Event, with the Incentive Value in item 2 being calculated with reference to that date; and • if the Performance Triggers are met, the calculation of the number of Target Shares to be converted from the Performance Rights (set out in items 4, 5 and 7, as the case may be), and the resulting apportionment (set out in item 8) will be calculated with reference to the date of the Termination Event for that Executive. <p>For the avoidance of doubt, all other Executives will have their Performance Right entitlements calculated in the manner set out in items 4, 5 and 7 (as the case may be) as if the Executive subject to the Termination Event was not subject to such an event.</p>
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9. GENERAL

- (a) Each party agrees to use their reasonable endeavours to perform the obligations set out in this Schedule 7.
- (b) Notwithstanding anything else in this Schedule 7, the performance of the obligations set out in this Schedule 7 is subject to any Approvals required under the Listing Rules, the Corporations Act and any other applicable Law, including the approval of Target Shareholders.
- (c) Each party acknowledges and agrees that, in determining how to deal with any Remaining Executive Options and Restrictive Executive Shares in the manner set out in paragraph 4.3, the parties will have regard to timing considerations and the cost of complying with any legal and regulatory requirements.

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- (d) Each party acknowledges and agrees that, to the extent an Executive requests for the exercise period of their Remaining Executive Option to be extended so that it is not required to exercise any of those options in order to comply with paragraph 4.2, the parties will use their reasonable endeavours to procure a waiver from ASX so that the relevant exercise period can be extended.

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Schedule 8

(Clause 21)

PROVISIONS APPLYING TO GUARANTEE BY BIDDER GUARANTOR

1. Nature of obligations and enforcement

Bidder Guarantor's obligations in this document:

- (a) **(principal obligations)** are principal obligations, and not ancillary or collateral to any other right or obligation; and
- (b) **(immediately enforceable)** may be enforced against Bidder Guarantor without Target first being required to:
 - (i) **(remedies)** exhaust any remedy it may have against Bidder; or
 - (ii) **(securities)** enforce any security it may hold relating to the Guaranteed Obligations.

2. Preservation of Bidder Guarantor's obligations

Bidder Guarantor's obligations in this document are absolute, unconditional and irrevocable. The liability of Bidder Guarantor under this document extends to and is not affected by any circumstance, act or omission which, but for this subclause, might otherwise affect it at law or in equity including:

- (a) **(indulgence)** the grant of any time, waiver or other indulgence or concession;
- (b) **(discharge of others)** the discharge or release of Bidder, Bidder Guarantor or any other person;
- (c) **(other arrangements)** any transaction or arrangement that may take place between Target and Bidder, Bidder Guarantor or any other person;
- (d) **(despite Insolvency Event)** the occurrence of an Insolvency Event in relation to Bidder or Bidder Guarantor ;
- (e) **(despite collateral securities)** Target or any other person dealing or not dealing in any way with any other guarantee, encumbrance, document or agreement;
- (f) **(despite other remedies)** Target or any other person:
 - (i) **(collateral securities)** exercising or not exercising any other guarantee or encumbrance or any right or remedy conferred on it by law or in equity or by any document or agreement; or

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- (ii) (**Bidder debt**) not recovering any money owing by Bidder;
- (g) (**despite variation of obligations**) any variation (including a variation which increases, or extends the duration of, the Guaranteed Money or the Guaranteed Obligations), replacement, extinguishment, unenforceability, failure, loss, abandonment or transfer of any document or agreement relating to the Guaranteed Obligations (including this document);
- (h) (**despite obligations being unenforceable**) the Guaranteed Obligations or the obligations of Bidder Guarantor or any other person under this document or any other document or agreement relating to the Guaranteed Obligations or this document (including any other guarantee or encumbrance) being or becoming illegal, void, voidable, unenforceable or disclaimed by a liquidator or trustee for creditors or in bankruptcy;
- (i) (**despite lack of notice**) Target not giving Bidder Guarantor notice of any default by Bidder or any other person;
- (j) (**despite non disclosure**) Target not disclosing any information to Bidder Guarantor;
- (k) (**information**) any representation made or information given by Target to Bidder Guarantor;
- (l) (**despite changed capacity**) any change in the legal capacity, rights or obligations of, or other circumstance related to, Bidder or Bidder Guarantor ;
- (m) (**despite incapacity**) any legal limitation, disability, incapacity or other circumstance related to Bidder or Bidder Guarantor;
- (n) (**despite irregularity**) any invalidity or irregularity in the execution of this document or any deficiency in the powers of Bidder or Bidder Guarantor;
- (o) (**despite delay, error**) any laches, acquiescence, delay, act, omission or mistake on the part of, or suffered by, Target or any other person, in relation to this document or any other guarantee, encumbrance, document or agreement;
- (p) (**despite insolvency dividend**) the receipt by Target or any other person of any dividend or money after an Insolvency Event in relation to Bidder or Bidder Guarantor ;
- (q) (**despite judgment against Bidder**) any judgment or right which Target may have or exercise against Bidder or Bidder Guarantor;
- (r) (**despite change in constitution**) the amendment of the constitution, trust deed or other constituent document of Bidder or Bidder Guarantor;

- (s) **(despite change in interest)** if Bidder Guarantor is a director or shareholder of Bidder, any change in that directorship or shareholding.

3. Continuity

This document is a continuing security, and remains in full force until the Guaranteed Obligations have been irrevocably paid and performed in full despite any transaction or other thing (including a settlement of account or intervening payment).

4. Limitations on Bidder Guarantor's rights

Until the Guaranteed Obligations have been irrevocably paid and performed in full, Bidder Guarantor may not:

- (a) **(no benefit of securities)** share in any guarantee, encumbrance or money received or receivable by Target in relation to the Guaranteed Obligations, or stand in the place of Target in relation to any guarantee, encumbrance or right to receive money;
- (b) **(not claim indemnity from debtor)** take any steps to enforce a right or claim against Bidder relating to any money paid by Bidder Guarantor to Target under this document;
- (c) **(waiver rights as surety)** have or exercise any rights as surety in competition with Target;
- (d) **(waive Bidder payments)** receive, claim or have the benefit of any payment (including a payment under a guarantee), distribution or encumbrance from or on account of Bidder or;
- (e) **(no setoff)** in reduction of its liability under this document, raise a defence, set off or counterclaim available to itself, Bidder or a co-surety or co-indemnifier against Target or claim a set off or make a counterclaim against Target; or
- (f) **(waive equities)** claim to be entitled by way of contribution, indemnity, subrogation, marshalling or otherwise to the benefit of any agreement or document to which Target is a party.

5. No marshalling

Target is not under any obligation to marshal or appropriate in favour of Bidder Guarantor or to exercise, apply, perfect or recover any encumbrance that Target holds at any time or any funds or property that Target may be entitled to receive or have a claim on.

6. Proving debt after Insolvency Event

If Bidder is wound up or bankrupted, Bidder Guarantor irrevocably authorises Target to:

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- (a) **(Target may prove)** prove for all money that Bidder Guarantor has paid under this document; and
- (b) **(suspense account)** retain and carry to a suspense account and appropriate at Target's discretion any dividends and other money received in relation to the Guaranteed Money,

until the Guaranteed Obligations have been irrevocably paid and performed in full. Target is not obliged to do this.

7. **Application of money after Insolvency Event**

If an Insolvency Event has occurred in relation to Bidder or Bidder Guarantor, any amount paid by Bidder or Bidder Guarantor (as the case may be) within the preceding 6 months (**relevant payment**) will only be applied against any Guaranteed Obligations if:

- (a) **(Target determines finality)** Target forms the opinion in good faith (which will be conclusively binding on Bidder Guarantor) that it will not be required to pay the relevant payment to any person under any law relating to bankruptcy, winding up or the protection of creditors; or
- (b) **(court determines finality)** a final judgment is given by a court of competent jurisdiction in favour of Target that it is not required to pay the relevant payment to any person under any law relating to bankruptcy, winding up or the protection of creditors.

8. **Reinstatement of creditor after Insolvency Event**

If an amount is applied against any Guaranteed Obligations and Target forms the opinion in good faith that it is obliged to pay the relevant payment to any person under any law relating to bankruptcy, winding up or the protection of creditors:

- (a) **(reinstatement)** Target's rights are to be reinstated and will be the same in relation to that amount as if the application, or the payment or transaction giving rise to it, had not been made;
- (b) **(restoration of security)** Bidder Guarantor must immediately do anything (including the signing of documents) required by Target to restore to Target any guarantee or encumbrance to which it was entitled immediately before that application or the payment or transaction giving rise to it; and
- (c) **(limited release)** any discharge or release between Target and Bidder Guarantor is subject to reinstatement of Target's rights under this subclause.

9. **Target not liable**

Target is not liable for any loss suffered by Bidder Guarantor as a direct or indirect result of:

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- (a) **(exercise of Target's rights)** Target's exercise or attempted exercise of, or failure to exercise, any of its rights contained in this document; or
- (b) **(collateral securities)** any release or dealing with any other guarantee or encumbrance (including any prejudice to or loss of Bidder Guarantor's rights of subrogation).

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Schedule 9

(Clauses 1.1 and 19.5)

TARGET INDEMNITY EVENTS

1. Interpretation

In addition to the definitions set out in clause 1.1 of this document, the following definitions apply in this Schedule 9:

Grinaker means Grinaker-LTA Mining Contracting, a business unit of Aveng (Africa) Limited.

Grinaker Dispute means the dispute between Grinaker and New Kleinfontein Goldmine (Proprietary) Limited, a wholly owned subsidiary of Target, regarding a claim by Grinaker for payment of a sum of A\$3.951 million under a contract works agreement between the parties, such dispute being referred to arbitration in August 2009.

2. Target Indemnity Events

The following events are Target Indemnity Events:

- (a) **(constitution of Goliath Gold)** Goliath Gold's constitution not complying with all applicable Laws (including the Listing Rules and JSE Listings Requirements), but only to the extent that such non-compliance results in a direct, actual liability of Target Group (which, for the avoidance of doubt, does not include Goliath Gold or any of its subsidiaries);
- (b) **(potential WWG claim)** White Water Gold (Pty) Ltd (**WWG**) making a successful claim for damages in relation to the potentially disputed termination by Goliath Gold of a sale agreement dated 24 August 2005 between WWG and Goliath Gold, but only to the extent that such a claim becomes a direct, actual liability of Target Group (which, for the avoidance of doubt, does not include Goliath Gold or any of its subsidiaries);
- (c) **(non-conversion of old order mining right)** the non-conversion of the old order mining right (DMR Ref: ML 15/2004) held by New Kleinfontein Goldmine (Proprietary) Limited into a 'new order' mining right in accordance with the provisions of the South African Mineral and Petroleum Resources Development Act, 2002 (**MPRDA**);
- (d) **(non-renewal of rights and permits)** the non-renewal of the following rights and permits:
 - (i) the prospecting right in respect of Wit Nigel over certain farms in the districts of Nigel and Heidelberg (DMR Ref: GP (73) PR) (**Wit Nigel Prospecting Right**) held by Goliath Gold, but

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- only to the extent that such non-renewal results in a direct, actual liability of Target Group (which, for the avoidance of doubt, does not include Goliath Gold or any of its subsidiaries);
- (ii) the prospecting right (Registration Number: 239/2006 (PR)) in respect of the Holfontein Project held by New Kleinfontein Goldmine (Proprietary) Limited;
 - (iii) the prospecting right (Registration Number: 361/2006 (PR)) in respect of the New Kleinfontein/Turnbridge Project held by New Kleinfontein Goldmine (Proprietary) Limited;
 - (iv) the prospecting right (Registration Number: 50/2006 (PR)) in respect of the Sub Nigel 4 & 5 Project held by Gold One Africa Limited;
 - (v) the exclusive prospecting licence 3377 (EPL 3377) in respect of the Etendeka Project held by Etendeka Prospecting and Mining Company (Pty) Ltd; and
 - (vi) the mining permit (DMR Ref: MP 02/2008) held by New Kleinfontein Goldmine (Proprietary) Limited;
- (e) **(refusal of applications to register)** the refusal of applications for registration with the Mining and Petroleum Title Registration Office of the following rights:
- (i) the prospecting right in respect of the Sub-Nigel 8 Project (GP 30/5/1/1/2/260 PR) held by Gold One Africa Limited; and
 - (ii) the prospecting right in respect of the Ventersburg 4 Project (FS 30/5/1/1/2/865 (PR)) held by Gold One Africa Limited;
- (f) **(release of records refused)** an application made by Target or any other relevant member of Target Group for the release by Robert Gray of mining records relating to previous mining on the area the subject of the Wit Nigel Prospecting Right being refused by any competent court or tribunal;
- (g) **(Mining Concession 557C)** Gold One Mozambique Limitada not procuring an environmental management plan or land use permit, that complies with all applicable Laws, for the mining concession granted to Gold One Mozambique Limitada, being Mining Concession 557C;
- (h) **(Historically Disadvantaged Persons and Historically Disadvantaged South Africans)** all prospecting and mining rights subject to the MPRDA (which is to be read with the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry, published in South African Government Gazette No. 26661 on 13 August 2004) not being held by "Historically Disadvantaged

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Persons and/or Historically Disadvantaged South Africans" as required and in accordance with that legislation;

(i) **(environmental issues)** it being determined that, prior to the time of:

(i) the relevant member of Target Group acquiring or occupying the Properties (while being a member of Target Group); or

(ii) the Target acquiring a member of Target Group which, at that time, owned or occupied any Properties,

any underground workings on Properties on the East Rand, and the previous tailings facility of the Modder East Mine, resulted in any contamination, or there had been migration of contamination from those Properties to other land or to water;

(j) **(Sub-Nigel mine)** upon closure of the Sub-Nigel mine, Target is unable to pump water from that mine;

(k) **(Black Economic Empowerment arrangements)** the Black Economic Empowerment arrangements relating to Gold One Africa Limited do not become unconditional;

(l) **(errors)** any errors in descriptions contained in the following documents:

(i) Sale Agreement dated 4 September 2006 between Gold One Africa Limited and Micawber 400 (Proprietary) Limited; and

(ii) Articles of Association of Etendeka Prospecting and Mining Company (Pty) Ltd;

(m) **(Grinaker Dispute)** Grinaker making a successful claim for an amount in excess of A\$10 million under the Grinaker Dispute, but only to the extent that claim exceeds A\$10 million; and

(n) **(Modder East Stoppage Event)** a stoppage of production for a period of 12 months or more during the 24 month period from Completion of the Transaction resulting from:

(i) a rescission or termination of the right by the Target to mine Modder East by the relevant Government Authority as a result of the failure to convert Gold One Africa Limited's Modder East old order mining right into a new order mining right; and

(ii) a rescission or termination of the right by the Target to continue its mining operations as a result of Modder East Mine not holding the required environmental authorisations or approvals in respect of its mining operations.

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EXECUTED as an agreement.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

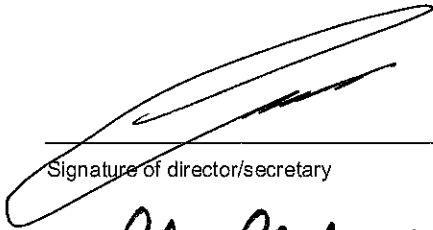
EXECUTED by Gold One International Limited (ABN 35 094 265 746):



Signature of director

Neal Foreman

Name

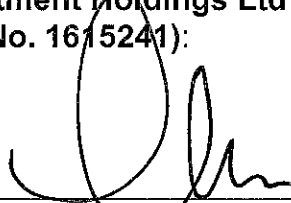


Signature of director/secretary

Chris Chadwick

Name

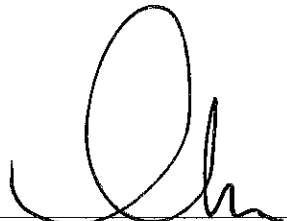
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Signature of director

Clement Kwong

Name



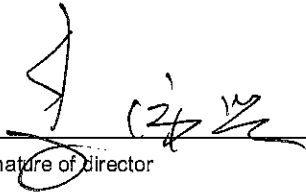
Signature of director/secretary

Clement Kwong

Name

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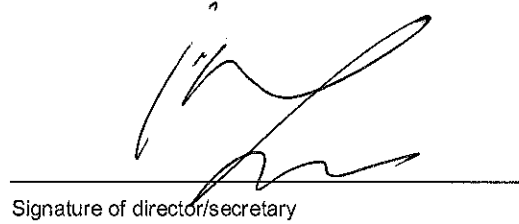
EXECUTED by Baiyin Non-Ferrous Group Co. Ltd.
(Registration No. 620400000000010):



Signature of Director

LI DEIXING

Name



Signature of director/secretary

LIAO MING

Name

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