Subscription and Acquisition Agreement

between

Pamish Investments No 29 (Proprietary) Limited

and

Tranter Gold (Proprietary) Limited

and

Tranter Holdings (Proprietary) Limited

and

Southgold Exploration (Proprietary) Limited

and

Great Basin Gold Limited

FALCON
ATTORNEYS INC

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1. PARTIES

1.1 **Pamish Investments No 29 (Proprietary) Limited**, a private limited liability company duly incorporated in accordance with the company laws of the RSA under registration number 2005/020244/07, which company is to change its name to "Tranter Burnstone" or such other name as the Registrar of Companies may approve (***Tranter Burnstone***);

1.2 **Tranter Gold (Proprietary) Limited**, a private limited liability company duly incorporated in accordance with the company laws of the RSA under registration number 2005/028025/07 (***Tranter Gold***);

1.3 **Tranter Holdings (Proprietary) Limited**, a private limited liability company duly incorporated in accordance with the company laws of the RSA under registration number 2001/028420/07 (***Tranter Holdings***);

1.4 **Southgold Exploration (Proprietary) Limited**, a private limited liability company duly incorporated in accordance with the company laws of the RSA under registration number 2000/016129/07 (***Southgold***); and

1.5 **Great Basin Gold Limited,** a public company incorporated under the company laws of Canada under registration number B0436691 (and registered in South Africa under external company registration number 2006/021304/10) (***GBG***).

2. RECITALS

2.1 GBG is a gold exploration and mining company, listed on the TSX, Amex and the JSE, and is the holder of, amongst other things, two advanced stage exploration projects, namely:

2.1.1 the Hollister Project, located in the Carlin Trend of Nevada in the United States, in respect of which GBG anticipates that a detailed feasibility study will be completed by the end of October 2007; and

2.1.2 the Burnstone Project, located in the Witwatersrand Basin in the Balfour area in the RSA, in respect of which a detailed feasibility study was completed in May 2006, and an updated optimised feasibility study was completed in July 2007, and in respect of which an advanced stage bulk sample analysis is currently being conducted in anticipation of the commencement of mining activities in approximately mid-2008.

2.2 Tranter Gold, of which Tranter Burnstone is a wholly-owned subsidiary, is currently a 100%-owned and controlled BEE company which is an emerging prospecting, mining and procurement company.

2.3 Consistent with GBG's corporate philosophy and pursuant to the prevailing terms and conditions of the BEE Legislation, GBG wishes to conclude a transaction in terms of which Tranter Gold, through Tranter Burnstone, will ultimately acquire an effective participation interest (or see-through interest) in the Burnstone Project of 26% (twenty six percent) (referred to as the ***Underlying Participation Interest***).

2.4 On 21 February 2007, Tranter Gold, Southgold and GBG entered into the Transaction Framework Agreement in terms of which, amongst other things, they agreed on the essential terms and conditions on which, and the various means through which Tranter Gold would acquire the Underlying Participation Interest, subject to certain suspensive conditions including the execution by the Parties of a definitive share subscription agreement.

2.5 As contemplated by the Parties in the Transaction Framework Agreement, certain agreements have been concluded by the various of the Parties since the execution of that agreement, namely:

2.5.1 the GFL Memorandum of Agreement in terms of which, amongst other things, Southgold will pay GFL Mining an amount of R80 000 000 (eighty million Rand) in full and final settlement of the net smelter royalty owing by Southgold to GFL Mining under the Prospecting Agreement and GFIMSA will, on receipt by GFL Services of the royalty settlement amount, contribute an amount of R80 000 000 (eighty million Rand) to Tranter Gold to be used as to:

2.5.1.1 R70 000 000 (seventy million Rand) to partially subscribe for the Southgold Shares in the manner set out in this Agreement; and

2.5.1.2 R10 000 000 (ten million Rand) to establish Tranter Gold as an operating prospecting, mining and procurement company;

2.5.2 the Investec Term Sheet in terms of which, amongst other things, Investec has agreed to provide certain preference share funding to Tranter Gold in the amount of R200 000 000 (two hundred million Rand), which funds are to be used as to:

2.5.2.1 R190 000 000 (one hundred and ninety million Rand) to partially subscribe for the Southgold Shares in the manner contemplated in this Agreement; and

2.5.2.2 R10 000 000 (ten million Rand) to help establish Tranter Gold as an operating prospecting, mining and procurement company.

2.6 The Parties therefore wish to enter into this Agreement to implement and replace the Transaction Framework Agreement and to provide for, amongst other things, the definitive terms and conditions on which (consistent with the terms and conditions of the Transaction Framework Agreement):

2.6.1 Tranter Burnstone will subscribe for and Southgold will allot and issue the Southgold Shares for an aggregate subscription amount of R260 000 000 (two hundred and sixty million Rand);

2.6.2 GBG (or one of its wholly-owned subsidiaries) will purchase the Southgold Shares from Tranter Burnstone and, in consideration for such acquisition, GBG will issue the GBG Shares to Tranter Burnstone as acquisition consideration;

2.6.3 Tranter Gold will, indirectly through Tranter Burnstone, hold the GBG Shares,

and to provide for various other matters and arrangements which are ancillary to the transactions described above.

3. DEFINITIONS

3.1 In this Agreement, unless the context indicates otherwise, the words and expressions below shall have the following meanings:

3.1.1 ***Acquisition Date*** means the Business Day immediately following the date upon which Tranter Burnstone acquires and is issued and allotted the Southgold Shares pursuant to clause 6.1;

3.1.2 ***Act*** means the Companies Act, 1973;

3.1.3 ***Agreement*** means this subscription and acquisition agreement and its schedules;

3.1.4 ***Amex*** means the American Stock Exchange;

3.1.5 ***Articles*** means the Articles of Association of Southgold from time to time;

3.1.6 ***Auditors*** means the auditors of Southgold, from time to time;

3.1.7 ***BEE*** has the same meaning given to the term "broad-based black economic empowerment" in the BEE Act;

3.1.8 ***BEE Act*** means the Broad-Based Black Economic Empowerment Act, 2003;

3.1.9 ***BEE Compliant Entity*** means a corporate entity where:

(a) the beneficial ownership, directly or indirectly (whether through the holding of voting shares in a chain of subsidiaries or otherwise) of more than 50% (fifty percent) of the voting shares of that company is beneficially held and beneficially owned by Black Persons;

(b) the right, directly or indirectly, (through the holding of voting shares in a chain of subsidiaries or otherwise) to exercise more than 50% (fifty percent) of the voting rights in respect of the issued shares of that company is beneficially held by Black Persons; and

(c) the power, directly or indirectly, (through the holding of voting shares in a chain of subsidiaries or otherwise) to appoint, and remove, more than 50% (fifty percent) of the board of directors of that company is beneficially held by Black Persons and, at all times, the majority of the directors are Black Persons;

3.1.10 ***BEE Consortium Members*** means the shareholders in Tranter Gold, as set out in **Schedule 1**;

3.1.11 ***BEE Equity Ownership Requirements*** means Item 4.7 of the Mining Charter and Item 7 of the Scorecard, which form part of the requirements of the Mining Charter which an applicant for, or the holder of, a mining right (as will need to be granted to Southgold in order for it to develop and exploit the Burnstone Project) is required to satisfy under the broad-based black economic empowerment objectives of the MPRDA (including the objectives set out in section 2(d) and 2(f) of the MPRDA), and any legislation, charter or guideline (including the BEE Act and the Codes of Good Practice) which replaces partially or fully Item 4.7 of the Mining Charter and Item 7 of the Scorecard during the Restricted Period;

3.1.12 ***BEE Legislation*** means, collectively, the BEE Act, the relevant BEE provisions of the MPRDA, the Mining Charter and, to the extent applicable, the Codes of Good Practice;

3.1.13 ***BEE Memorandum of Understanding*** means the Memorandum of Understanding entered into between the BEE Consortium Members and Tranter Gold on or about 25 January 2007 which provides for the essential terms and conditions on which the BEE Consortium Members are to conduct the affairs of Tranter Gold and regulate their relationship as shareholders *inter se* in Tranter Gold;

3.1.14 ***Black Person*** means :

(a) in relation to a natural person, any Black, Coloured or Indian person who, being otherwise legally competent to do so, or any of whose ascendants were, by virtue of racial classification under the political and legal dispensation prevailing in the RSA prior to the national elections held in April 1994, prohibited from exercising a right to vote in the appointment of representatives to the House of Assembly of the erstwhile tricameral parliament of the RSA or any predecessor thereof;

(b) in relation to a trust, any trust where the trust deed expressly provides that:

(i) the majority of its trustees are persons referred to in clause 3.1.14(a); and

(ii) the majority of the distributions of the trust from time to time shall be for the benefit of persons referred to in clause 3.1.14(a); or

(c) in relation to an association of persons (including an association of persons registered as a non-profit organisation in terms of the Nonprofit Organisations Act, 1997), where the persons referred to in clause 3.1.14(a) possess the right to ensure that the affairs of that association are conducted in accordance with their wishes:

(i) by means of the holding of shares or beneficial ownership rights or the possession of voting power in, or in relation to, such association; or

(ii) by virtue of any powers conferred by the law, constitutional documents or other documents or arrangements regulating or relating to such association,

(d) any other juristic person, where that person itself is a BEE Compliant Entity;

3.1.15 ***Burnstone Project*** means the project owned and operated by Southgold, as is more fully described in clause 2.1.2;

3.1.16 ***Business Day*** means any day other than a Saturday, Sunday or public holiday in the RSA, within the meaning of the Public Holidays Act, 1994;

3.1.17 ***Central Securities Depository*** means a central securities depository duly registered as such in terms of Section 32 of the Securities Services Act;

3.1.18 ***Central Securities Depository Participant*** means a central securities depository participant duly registered as such in terms of Section 34 of the Securities Services Act;

3.1.19 ***Codes of Good Practice*** means the codes of good practice issued by the Department of Trade and Industry in terms of section 9 of the BEE Act, gazetted on 9 February 2007 in Government Gazette No 29617, and includes, without being limited to, any applicable scorecard contained in such codes;

3.1.20 ***Completion Date*** means the day on which all of the Suspensive Conditions are fulfilled or waived, as the case may be, provided that (for the sake of clarity) if such day is not a Business Day, the Completion Date shall be the next occurring Business Day;

3.1.21 ***Control*** means:

(a) in relation to a company:

(i) the beneficial ownership, directly or indirectly (whether through the holding of voting shares in a chain of subsidiaries or otherwise) of more than 50% (fifty percent) of the voting shares of that company; or

(ii) the right, directly or indirectly, (through the holding of voting shares in a chain of subsidiaries or otherwise) to exercise more than 50% (fifty percent) of the voting rights in respect of the issued shares of that company; or

(iii) the power, directly or indirectly, (through the holding of voting shares in a chain of subsidiaries or otherwise) to appoint, and remove, more than 50% (fifty percent) of the board of directors of that company; or

(iv) the power, through appointees to the board of directors of that company, to exercise more than 50% (fifty percent) of the votes exercisable by directors of that company;

(b) in relation to a trust, the right to:

(i) appoint and/or remove the majority of its trustees; and/or

(ii) determine the distributions of the trust from time to time; or

(c) in relation to an association of persons (including an association of persons registered as a non-profit organisation in terms of the Nonprofit Organisations Act, 1997), the right to ensure that the affairs of that association are conducted in accordance with their wishes:

(i) by means of the holding of shares or beneficial ownership rights or the possession of voting power in, or in relation to, such association; and/or

(ii) by virtue of any powers conferred by the law, constitutional documents or other documents or arrangements regulating or relating to such association,

3.1.22 ***Corporate Laws*** means the corporate and companies legislation and regulations of, and the instruments, policies, rules, orders, codes, notices and interpretation notes of the relevant regulatory authorities of Canada, the United States and the RSA;

3.1.23 ***Dispose*** means to sell, transfer, unbundle, exchange, liquidate, encumber, cede, pledge, hypothecate, dispose of or otherwise alienate and cognate expressions shall have a corresponding meaning;

3.1.24 ***Encumbrance*** means:

(i) any mortgage, pledge, lien, assignment or cession conferring security, hypothecation, security interests, preferential right or trust arrangement or other encumbrance securing any obligation of any person;

(ii) any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

(iii) any other type of preferential agreement or arrangement (including any title transfer and retention arrangement), the effect of which is the creation of security,

and "Encumber" shall have a corresponding meaning;

3.1.25 ***Fair Market Value*** shall be the value determined in the manner set out in **Schedule 5**;

3.1.26 ***GBG Shares*** means the common shares in the issued share capital of GBG to be issued to Tranter Burnstone as set out in clause 7.2;

3.1.27 ***GFIMSA*** means GFI Mining South Africa (Proprietary) Limited, a private limited liability company duly incorporated in accordance with the company laws of the RSA under registration number 2002/031431/07;

3.1.28 ***GFIMSA Equity Credits*** bears the meaning given to that term in the GFL Memorandum of Agreement;

3.1.29 ***GFL Memorandum of Agreement*** means the Memorandum of Agreement entered into between GFL Mining, Gold Fields, GFIMSA, GBG, Southgold and Tranter Gold on 27 June 2007 which provides for, amongst other things, the matters described in clause 2.5.1;

3.1.30 ***GFL Mining*** means GFL Mining Services Limited, a limited liability public company duly incorporated in accordance with the company laws of the RSA under registration number 1997/019961/06;

3.1.31 ***Gold Fields*** means Gold Fields Limited, a limited liability public company duly incorporated in accordance with the company laws of the RSA under registration number 1968/004880/06;

3.1.32 ***Hollister Project*** means the project owned and operated (directly and indirectly) by Rodeo Creek Gold Inc (a company incorporated in the United States and wholly-owned by GBG), as is more fully described in clause 2.1.1;

3.1.33 ***Investec*** means Investec Bank Limited, a limited liability public company duly incorporated in accordance with the company laws of the RSA under registration number 1969/004763/06;

3.1.34 ***Investec Term Sheet*** means the document titled "Mandate to arrange financing for Great Basin Gold Ltd and Tranter Gold (Pty) Ltd for the Burnstone Project", dated 3 July 2007 and accepted by GBG and Tranter Gold on 3 July 2007, which provides for, amongst other things, the indicative terms and conditions upon which Investec is mandated to arrange the Preference Share Facility, the Project Loan Facility A and the Project Loan Facility B;

3.1.35 ***JSE*** means JSE Limited, registration number 2005/022939/06, a public company licensed as an exchange under the Securities Services Act and registered and incorporated with limited liability according to the company laws of the RSA;

3.1.36 ***Mineral Right*** means any licence or permit granted under the MPRDA, including a prospecting right granted in terms of section 17(1) and/or a mining right granted in terms of section 23 (1) of the MPRDA;

3.1.37 ***Mining Charter*** means the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry and its associated Scorecard promulgated by the Minister of Minerals and Energy on 13 August 2004 pursuant to the provisions of section 100(2) of the MPRDA and published in Government Notice 1639 of 2004;

3.1.38 ***MPRDA*** means the Mineral and Petroleum Resources Development Act, 2002;

3.1.39 ***N6C Inc*** means N6C Resources Inc, a company duly incorporated in accordance with the company laws of the Cayman Islands which, as at the Signature Date, is a wholly-owned subsidiary of GBG;

3.1.40 ***Parties*** means the parties to this Agreement set out in clause 1 and their permitted assignees and successors-in-title, or any one of them as the context may require;

3.1.41 ***Preference Share Facility*** means the cumulative redeemable preference share facility of R200 000 000 (two hundred million Rand), of which R100 000 000 (one hundred million Rand) has a five year term and R100 000 000 (one hundred million Rand) has a seven year term, to be used by Tranter Burnstone in the manner described in clause 2.5.2;

3.1.42 ***Project Loan Facility A*** means an amortizing term loan facility of R200 000 000 (two hundred million Rand) in favour of Southgold to be used solely for the purpose of developing the Burnstone Project;

3.1.43 ***Project Loan Facility B*** means an amortizing term loan facility of R200 000 000 (two hundred million Rand) in favour of Southgold to be used solely for the purpose of developing the Burnstone Project;

3.1.44 ***Prospecting Agreement*** means the Prospecting Agreement entered into between GFL Mining, Randex and Southgold on 17 October 2000;

3.1.45	***R***	means South African Rand, being the lawful currency of the RSA;
3.1.46	***Randex***	Randex Limited, a limited liability public company duly incorporated in accordance with the company laws of the RSA under registration number 1935/006778/06;
3.1.47	***Restricted Period***	bears the meaning given to that term in clause 8.6;
3.1.48	***RSA***	means the Republic of South Africa;
3.1.49	***Scorecard***	means the scorecard published with and which forms part of the Mining Charter, from time to time;
3.1.50	***Securities Laws***	means the securities legislation and regulations of, and the instruments, policies, rules, orders, codes, notices and interpretation notes of the securities regulatory authorities, including the Stock Exchanges, of Canada, the United States and the RSA;
3.1.51	***Securities Services Act***	means the Securities Services Act, 2004;
3.1.52	***Signature Date***	means the date on which the last Party signs this Agreement;
3.1.53	***Southgold Shares***	means the ordinary shares in the issued share capital of Southgold to be acquired by Tranter Burnstone as referred to in clause 6.1;
3.1.54	***Southgold Subscription Price***	means the subscription price payable by or on behalf of Tranter Burnstone for the Southgold Shares referred to in clause 6.2;
3.1.55	***Stock Exchange***	means the TSX, Amex and the JSE, or any of them as the context may require;
3.1.56	***Suspensive Conditions***	means the suspensive conditions set out in clause 4.1;
3.1.57	***Transaction Framework Agreement***	means the Transaction Framework Agreement entered into between Tranter Gold, Southgold and GBG on 21 February 2007, as amended by the First Addendum to the Transaction Framework Agreement on 28 June 2007, and otherwise as described in clause 2.4;
3.1.58	***Transactions***	means the transactions contemplated in clause 6 and 7;
3.1.59	***Tranter Burnstone Preference Shares***	means the preference shares to be issued by Tranter Burnstone to Investec in terms of the Preference Share Facility;
3.1.60	***Tranter Burnstone Shares***	means 100 (one hundred) ordinary shares of R1.00 (one Rand) each in the issued share capital of Tranter Burnstone which, on or before the Completion Date, will represent the entire issued share capital of Tranter Burnstone and all of which will, on or before the Completion Date, be registered in the name of and be beneficially held by Tranter Gold and shall: (i) include any shares in the issued share capital of Tranter Burnstone which may subsequent to the Completion Date be allotted and issued by

Tranter Burnstone to Tranter Gold; and

(ii) exclude any shares in the issued share capital of Tranter Burnstone which may subsequent to the Completion Date be allotted and issued by Tranter Burnstone to Investec (or its nominee);

3.1.61 ***Tranter Group*** means, collectively, Tranter Holdings, Tranter Gold and Tranter Burnstone, or any one of them, as the context may require;

3.1.62 ***TSX*** means the Toronto Stock Exchange; and

3.1.63 ***United States*** means the United States of America.

3.2 Where any term is defined within the context of any particular clause in this Agreement, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this Agreement, notwithstanding that that term has not been defined in this definitions clause.

3.3 This Agreement shall be interpreted in accordance with the following principles:

3.3.1 a reference to a "person" includes a reference to an individual, partnership, company, close corporation, other body corporate, a trust, an unincorporated association or a joint venture and that person's legal representatives, successors and permitted assigns;

3.3.2 words importing the masculine shall include a reference to the feminine and *vice versa*;

3.3.3 words importing the singular shall include a reference to the plural and vice versa;

3.3.4 reference to a document includes an amendment or supplement to, or replacement or novation of that document;

3.3.5 any reference in this Agreement to legislation or a statute shall be a reference to such legislation or statute as at the Signature Date and as amended, varied or re-enacted from time to time;

3.3.6 the headings appearing in this Agreement are for reference purposes only and shall not affect the interpretation hereof;

3.3.7 where numerical figures are referred to in numerals and words, if there is any conflict between the two, the words shall prevail;

3.3.8 if any provision is a definition and is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it is only in the definition (or such other clause), effect shall be given to it as if it were a substantive provision in the body of this Agreement;

3.3.9 in the event that the day for performance of any obligation to be performed in terms of this Agreement should fall on a day which is not a Business Day, the relevant day for performance shall be the immediately succeeding Business Day;

3.3.10 where any number of days is prescribed in this Agreement, that number shall be determined exclusively of the first and inclusively of the last day, unless the last day falls on a day which is not a Business Day, in which case the last day shall be the immediately succeeding Business Day;

3.3.11 the terms "holding company" and "subsidiary" bear the same meaning given to those terms in the Act;

3.3.12 the use of the word "including" followed by specific examples shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific examples;

3.3.13 the expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this;

3.3.14 unless expressly otherwise stated, no provision of this Agreement shall constitute a stipulation for the benefit of any person (*stipulatio alteri*) who is not a party to this Agreement; and

3.3.15 the terms of this Agreement having been negotiated, they shall not be interpreted against the Party who procured its preparation and drafting, it being specifically agreed that the *contra proferentem* rule shall not apply.

4. SUSPENSIVE CONDITIONS

4.1 This Agreement (other than the rights and obligations of the Parties contained in this clause 4 and clauses 1, 2, 3 and clauses 17 to 28 (inclusive) which shall commence with effect from the Signature Date) is subject to and conditional upon the fulfilment of each of the following Suspensive Conditions:

4.1.1 GBG in its sole discretion confirming in writing that it is satisfied with the outcome of its due diligence investigation into the business and affairs of Tranter Burnstone, Tranter Gold and the BEE Consortium Members carried out in terms of clause 5;

4.1.2 approval of this Agreement by the board of directors of Tranter Gold;

4.1.3 approval of this Agreement by the board of directors of GBG;

4.1.4 GBG obtaining any required regulatory approvals for the Transaction in Canada, the RSA and any other relevant jurisdiction including, without limitation:

4.1.4.1 approval from the TSX, Amex and the JSE for GBG to enter into the Transactions and for the GBG Shares to be issued (if and to the extent required); and

4.1.4.2 any other approvals required by GBG to complete the Transactions contemplated by this Agreement, in compliance with the Securities Laws and the Corporate Laws;

4.1.5 the Preference Share Facility becoming unconditional in accordance with its terms (except for any condition which relates to this Agreement becoming unconditional) and Investec subscribing for the Tranter Burnstone Preference Shares and paying the aggregate subscription amount of R200 000 000 (two hundred million Rand) to or at the direction of Tranter Burnstone in terms of the Preference Share Facility; and

4.1.6 GFIMSA paying the amount of R80 000 000 (eighty million Rand) by way of contribution to Tranter Gold as contemplated in the GFL Memorandum of Agreement.

4.2 The Suspensive Conditions in:

4.2.1 clauses 4.1.1 and 4.1.4 are stipulated for the benefit of GBG and may be waived in whole or in part by GBG in its sole and absolute discretion on the giving of written notice to that effect to Tranter Gold prior to the expiry of the time period referred to in clause 4.5 (or any extension of that time period);

4.2.2 clause 4.1.2 and 4.1.3 are not capable of waiver; and

4.2.3 clause 4.1.5 and 4.1.6 are stipulated for the benefit of both Tranter Gold and GBG and may be waived in whole or in part by them in their sole and absolute discretion on their having reached agreement in writing prior to the expiry of the time period referred to in clause 4.5 (or any extension of that time period).

4.3 The Parties record that the South African Reserve Bank has provided its approval for the Transactions by way of written notice dated 30 July 2007 provided to Investec in relation to the application submitted on behalf of GBG under application reference number 910.

4.4 Each Party shall use its reasonable endeavours, to the extent that it is within its power to do so, to procure the fulfilment of the Suspensive Conditions.

4.5 If any of the Suspensive Conditions in clause 4.1 remains unfulfilled by 28 September 2007, or such later date as the Parties may agree upon in writing prior to that date, or has not been waived in terms of clause 4.2, then any Party may terminate this Agreement (in relation to those clauses referred to in clause 4.1) by notice in writing to the other Parties and the remaining terms of this Agreement shall not come into force or effect. In such event, the Parties shall be restored as nearly as possible to the positions in which they would have been had this Agreement not been entered into and no Party shall have any claim against any other Party by virtue of the provisions of this Agreement, except for such claims as may arise out of the breach of the clauses referred to in clause 4.1, which shall remain enforceable between the Parties.

5. DUE DILIGENCE

5.1 Tranter Gold will:

5.1.1 provide representatives of GBG with access to such books, records, certificates, registers and personnel of Tranter Gold and Tranter Burnstone; and

5.1.2 procure that the BEE Consortium Members provide access to such of their respective books, records, certificates, registers and personnel,

as may be reasonably necessary and which information may include some or all of the information set out in **Schedule 2,** in order for GBG to endeavour to verify the nature, status and composition of Tranter Gold, Tranter Burnstone and each of the BEE Consortium Members with reference to the compliance (or otherwise) by Tranter Gold with its status as a BEE Compliant Entity (provided always that such verification efforts by GBG shall not reduce the liability of another Party for the representations it is making to GBG hereunder).

5.2 Without prejudice to GBG's right to exercise its discretion in such manner as it deems fit under clause 4.1.1, if and to the extent that Tranter Gold, Tranter Burnstone or a Consortium Member does not comply with the relevant ownership provisions of the BEE Legislation, such Party will, on request from GBG and at the BEE Consortium Member's own cost, take all such steps as may be necessary in order to resolve the non-compliance in question, which remedial steps will be taken as soon as possible but in any event prior to the conclusion of the Transactions.

5.3 GBG shall be responsible for all costs incurred directly or indirectly by it in connection with undertaking any due diligence enquiries contemplated in this clause 5.

6. SUBSCRIPTION FOR SOUTHGOLD SHARES

6.1 On the Completion Date, Tranter Burnstone hereby agrees to subscribe for and Southgold hereby agrees to allot and issue 812 (eight hundred and twelve) new ordinary shares in the issued share capital of Southgold (***Southgold Shares***) which, after such allotment and issue, will constitute 26% (twenty six percent) of the entire issued share capital of Southgold, subject to the requirements of the Articles, the Act and the remaining terms and conditions of this clause 6.

6.2 The aggregate subscription price for the Southgold Shares shall be R260 000 000 (two hundred and sixty million Rand) (***Southgold Subscription Price***) which, subject to clause 6.3, shall be payable by or on behalf of Tranter Burnstone to Southgold into the following bank account:

Bank:	Standard Bank of South Africa Limited
Account Name:	Southgold Exploration (Proprietary) Limited
Account Number:	022703527
Branch:	Sandton
Branch Code:	019205

6.3 Payment of the Southgold Subscription Price in terms of clause 6.2 shall be made in cash, unconditionally and in full, without deduction, set-off or counterclaim and free and clear of any tax and other deductions or withholdings or any nature by electronic funds transfer to be received on the Completion Date and for value on that date, in freely transferable readily available funds, free of the cost of transfer of funds.

6.4 The Southgold Shares will rank *pari passu* in all respects with the then existing ordinary shares in Southgold.

6.5 Against receipt of the Southgold Subscription Price in the manner contemplated in clause 6.3, Southgold undertakes to do all such things as may be necessary and desirable (including executing and if necessary delivering all documents) to implement the allotment and issue of the Southgold Shares to Tranter Burnstone, including but not limited to:

6.5.1 registering Tranter Burnstone in Southgold's register of members;

6.5.2 allotting and issuing the Southgold Shares fully paid to Tranter Burnstone; and

6.5.3 preparing the share certificates in respect of the Southgold Shares provided however that Southgold shall be entitled to retain possession of such share certificates pending delivery in terms of clause 7.4.2,

with the costs and expenses directly related to issuing the Southgold Shares being borne by Southgold.

6.6 Against receipt by Southgold of the Southgold Subscription Price in full in the manner contemplated in clause 6.3, the ownership of and the benefits and risks in and to the Southgold Shares shall pass to Tranter Burnstone on the Completion Date.

7. ACQUISITION OF SOUTHGOLD SHARES

7.1 On the Acquisition Date and subject to the Southgold Shares having been issued and allotted to Tranter Burnstone and payment of the Southgold Subscription Price having been received by Southgold in the manner contemplated in clause 6, GBG hereby agrees to purchase from Tranter Burnstone who hereby agrees to sell the Southgold Shares on the terms and conditions set out in this clause 7, provided that GBG shall be entitled by way of prior written notice being provided to Tranter Burnstone to procure that N6C Inc shall purchase the Southgold Shares from Tranter Burnstone on the terms and conditions set out in this clause 7.

7.2 In consideration for GBG (or N6C Inc, as the case may be) purchasing the Southgold Shares in the manner set out in clause 7.1, GBG shall issue 19 938 650 (nineteen million nine hundred and thirty eight thousand six hundred and fifty) common shares in the issued share capital of GBG (***GBG Shares***) to Tranter Burnstone which, on the basis of the fully diluted issued share capital of GBG as at the Signature Date and after such allotment and issue, will constitute 9.3% (nine point three percent) of the entire issued and allotted share capital of GBG, on a fully diluted basis.

7.3 Tranter Burnstone will execute and deliver to GBG, on or before the Acquisition Date, or such later time as GBG may accept, all such documentation as may be required by the applicable Securities Laws, policy statements and orders to permit the issue of the GBG Shares pursuant to clause 7.2, provided that Tranter Burnstone hereby acknowledges and agrees that any such documentation, when executed and delivered by Tranter Burnstone, will form part of and will be incorporated into this Agreement with the same effect as if each constituted a representation and warranty or covenant of Tranter Burnstone hereunder in favour of GBG and Tranter Burnstone consents to the filing of such documents as may be required to be filed with any Stock Exchange or any securities regulatory authority in connection with the Transactions.

7.4 On the Acquisition Date:

7.4.1 Tranter Burnstone shall deliver to GBG (or N6C Inc, as the case may be) share transfer forms in respect of the Southgold Shares duly signed by Tranter Burnstone reflecting Tranter Burnstone as the transferor and blank as to transferee;

7.4.2 the share certificates in respect of the Southgold Shares shall be deemed to have been delivered by Tranter Burnstone to Southgold by means of constructive delivery (*traditio brevi manu*) for and on behalf of GBG (or N6C Inc, as the case may be); and

7.4.3 against receipt by GBG (or N6C Inc, as the case may be) of the share transfer forms referred to in clause 7.4.1, GBG shall as soon as practicable:

7.4.3.1 register Tranter Burnstone in its South African register of members in relation to the GBG Shares;

7.4.3.2 allot and issue the GBG Shares to Tranter Burnstone; and

7.4.3.3 in relation to share certificates pertaining to the GBG Shares:

7.4.3.3.1 in the event that the Preference Share Facility should require that the GBG Share certificates be held in custody by Investec, shall, subject in all respects to section 38 of the Act, deliver such GBG Share certificates to Investec; or

7.4.3.3.2 in the event that 7.4.3.3.1 is not applicable, GBG shall be entitled to retain a first ranking pledge over the GBG Shares as security for the timely and proper performance by the Tranter Group of their respective obligations under this Agreement,

and, if the GBG Share certificates are in dematerialized rather than physical form, GBG and Tranter Burnstone shall take such steps (or shall procure the taking of such steps) as may be reasonably necessary or desirable to achieve the same or similar delivery or custody or pledge arrangement, as the case may be, subject to the relevant provisions of the Securities Services Act and the rules and regulations of the relevant Central Securities Depository and the Central Securities Depository Participant.

7.5 The GBG Shares will rank *pari passu* in all respects with the then existing common shares of the Purchaser and the costs and expenses related to issuing the GBG Shares will be borne by GBG.

7.6 GBG shall apply for the GBG Shares to be listed on the JSE, the TSX and Amex as soon as practicable after the Acquisition Date and the implementation of the Transaction referred to in this clause 7, subject to such terms and conditions as the Stock Exchanges and the Securities Laws may impose.

7.7 The Parties jointly acknowledge and agree that, pursuant to the implementation of the Transactions, it is their intention and understanding that Southgold will have satisfied the BEE Equity Ownership Requirements and, accordingly, each Party (other than GBG and Southgold) shall be estopped, and shall to the extent permissible by law prevent its members from obliging GBG or any of its subsidiaries (including Southgold) to undertake any further steps or make any further payment to them beyond those steps and that settlement expressly set out in this Agreement, whether pursuant to the MPRDA or otherwise, in fulfilment of the BEE Equity Ownership Requirements.

8. SHAREHOLDER RIGHTS AND RESTRICTIONS

8.1 Subject to the terms and conditions of clause 8.2 and with effect from the Completion Date:

8.1.1 if and for so long as Tranter Gold directly or indirectly holds 5% (five percent) or more of the issued share capital of GBG or otherwise in the absolute discretion of the board of directors of GBG, Tranter Gold shall be entitled (but not obliged) to appoint 1 (one) director to the board of directors of GBG; and

8.1.2 if and for so long as Tranter Gold directly or indirectly holds any shares in the issued share capital of GBG, Tranter Gold shall be entitled (but not obliged) to appoint 1 (one) director to the board of directors of Southgold.

8.2 Tranter Gold's entitlement to nominate directors for appointment to the board of directors of GBG and Southgold pursuant to clause 8.1, shall be subject to the following conditions:

8.2.1 Tranter Gold shall be entitled to remove and to replace any director appointed by it from time to time and to appoint an alternate to such director and any such appointments or removals shall be made by written notice to GBG and/or Southgold, as the case may be, signed by Tranter Gold and, subject to clause 8.2.2, shall be operative as soon as the written notice is received and accepted by GBG and/or Southgold;

8.2.2 any appointment or removal of a director or and his or her alternate pursuant to clause 8.1 shall be subject to the processes, procedures and requirements of the relevant Securities Laws and Corporate Laws.

8.3 The Parties acknowledge that:

8.3.1 Mr Sipho Nkosi, who as at the Signature Date is a member of the board of directors of GBG, shall be Tranter Gold's nominee in terms of clause 8.1.1; and

8.3.2 Mr Joshua Ngoma has been or will be appointed as a director of Southgold pursuant to Tranter Gold's exercise of its right under clause 8.1.2.

8.4 Each member of the Tranter Group hereby warrants and, where applicable, undertakes to GBG and Southgold that:

8.4.1 as at the Signature Date, the Completion Date and the Acquisition Date and for the duration of the Restricted Period Tranter Gold is and shall remain a BEE Compliant Entity;

8.4.2 as at the Completion Date and the Acquisition Date and for the duration of the Restricted Period Tranter Gold is and shall remain the registered and beneficial holder of the Tranter Burnstone Shares and shall remain the registered and beneficial holder of the entire issued share capital of Tranter Burnstone, save for such shares in the issued share capital of Tranter Burnstone that may be acquired by Investec (or its nominee) pursuant to the terms of the Preference Share Facility (which exception shall be limited to, first, the preference shares to be issued by Tranter Burnstone to Investec and, second, a maximum of 25% (twenty five percent) equity participation in Tranter Burnstone being issued to Investec, each being issued pursuant to the Preference Share Facility);

8.4.3 with effect from the Acquisition Date (pursuant to the implementation of the Transactions) and for the duration of the Restricted Period Tranter Burnstone shall be and shall remain the registered and beneficial holder of all of the GBG Shares and shall not Dispose of all or any of the GBG Shares;

8.4.4 as at the Completion Date and the Acquisition Date the members of the BEE Consortium are the registered and beneficial holders of:

8.4.4.1 all of the shares in the entire issued share capital of Tranter Gold, save for such ordinary shares in the issued share capital of Tranter Gold that may be acquired by Investec (or its nominee) pursuant to the terms of the Preference Share Facility (which exception shall be limited to a maximum of 10% (ten percent) of the entire issued share capital of Tranter Gold): and

8.4.4.2 the shares in the issued share capital of Tranter Gold are held in such percentages as is set out alongside their respective names in the organogram set out in **Schedule 1;**

8.4.5 for the duration of the Restricted Period no member of the BEE Consortium or the Tranter Group will do anything or permit anything to be done where it is within their power to prevent such thing from being done where the likely result of such thing being done is that:

8.4.5.1 Southgold's compliance with the BEE Equity Ownership Requirements; and

8.4.5.2 the on-going validity of any Mineral Right granted to and held by Southgold (or any other subsidiary of GBG) in relation to the Burnstone Project,

is or will be compromised or prejudiced in any manner whatsoever;

8.4.6 for so long as Tranter Burnstone holds some or all of the GBG Shares (including any other shares in the issued share capital of GBG that may be issued to or acquired by Tranter Burnstone after the Acquisition Date) Tranter Burnstone and GBG shall take all such steps as may be reasonably necessary to ensure that the GBG Shares (including any other shares in the issued share capital of GBG that may be issued to or acquired by Tranter Burnstone after the Acquisition Date) are tradable only on the JSE and shall not permit the transfer of any of the GBG

Shares (including any other shares in the issued share capital of GBG that may be issued to or acquired by Tranter Burnstone after the Acquisition Date) through any other Stock Exchange or other foreign stock exchange or by private transaction off the JSE, unless the Securities Laws permit and the South African Reserve Bank provides its written consent to the contrary or the Currencies and Exchanges Act, 1933, and/or Exchange Control Regulations, 1961 permits such transfer.

8.5 Pursuant to the objective of Tranter Gold becoming an active and operating prospecting, mining and procurement company in the gold mining sector as contemplated in clause 10, it is likely that one or more members of the Tranter Group may:

8.5.1 participate in a merger, de-merger, consolidation, amalgamation or other corporate restructuring involving Tranter Burnstone or Tranter Gold;

8.5.2 Encumber or create a security interest of some nature in favour of a person over, some or all of its rights, titles or interests in and to their respective assets, including the Tranter Burnstone Shares and/or the GBG Shares;

8.5.3 permit Tranter Burnstone to incur debt, whether directly or indirectly;

8.5.4 create, issue or allot shares in the share capital of Tranter Burnstone or Tranter Gold;

8.5.5 cancel, redeem or purchase any shares in the share capital of Tranter Burnstone or Tranter Gold;

8.5.6 modify or vary any other rights attached to any shares in the issued share capital of Tranter Burnstone or Tranter Gold,

provided that for the duration of the Restricted Period no member of the Tranter Group shall undertake or permit the undertaking of any of the matters referred to in this clause 8.5 unless GBG has given its prior written consent to such matters being undertaken (which consent shall not be unreasonably withheld or delayed) or unless such matters arise directly from the implementation of the Preference Share Facility and reasonable notice has been given to GBG.

8.6 For the purposes of this clause 8 (and such other provisions where this definition is used), the term "Restricted Period" shall mean the period commencing on the Acquisition Date and ending on the later of:

8.6.1 the third anniversary of the Acquisition Date; or

8.6.2 such date upon which the Disposal by Tranter Burnstone of some or all of the GBG Shares to a person who is neither a BEE Compliant Entity nor a Black Person will no longer prejudice the on-going validity of any Mineral Right granted to and held by Southgold (or any other subsidiary of GBG) in relation to the Burnstone Project (and, for the sake of clarity, the Parties acknowledge that, if the BEE Equity Ownership Requirements are reduced by virtue of amendments to the BEE Legislation or otherwise, the Restricted Period shall continue but only to the extent required in terms of such reduced BEE Equity Ownership Requirements).

or such other period as Tranter Gold and GBG may agree in writing.

9. DEEMED OFFERS

9.1 In the event that any one or more of the following events take place:

9.1.1 there is an actual or proposed change in Control in Tranter Burnstone and Tranter Burnstone fails to restore the *status quo* that existed prior to such change in Control or proposed change in Control within 5 (five) Business Days of having received written notice from GBG to do so;

9.1.2 one or more members of the Tranter Group breach their undertaking set out in clause 8.4.5 and, having notified GBG of such event, fail to remedy such breach within 5 (five) Business Days of having received written notice from GBG to do so;

9.1.3 Tranter Gold and/or Tranter Burnstone is placed under judicial management or liquidated or placed under any similar disability or under a winding up order, whether provisionally or finally, voluntarily or compulsorily;

9.1.4 Tranter Gold and/or Tranter Burnstone compromises with any of its creditors generally; or

9.1.5 Tranter Burnstone becomes disqualified under any applicable law or regulation from holding all or any of the GBG Shares owned or held by it from time to time,

(with each such event being referred to as an ***Event of Default***) then, with effect from the date upon which GBG provides written notice to Tranter Gold and/or Tranter Burnstone notifying them of such Event of Default having occurred (***Event of Default Notice***) and for a period of 10 (ten) Business Days from the date of the Event of Default Notice, GBG (or its nominee) shall have the right, at its sole option, to elect by written notice to Tranter Burnstone (***Buyout Notice***) to immediately purchase the full right, title and interest of all of the GBG Shares (***Buyout Shares***) held by Tranter Burnstone at the date of the Buyout Notice at the aggregate purchase price determined in accordance with clause 9.2.

9.2 The aggregate cash price for the Buyout Shares pursuant to an Event of Default occurring in terms of clause 9.1 shall:

9.2.1 in relation to the Event of Default referred to in clause 9.1.1, 9.1.2, 9.1.3 and 9.1.4 be equal to 75% (seventy five percent) of the Fair Market Value of the Buyout Shares; and

9.2.2 in relation to the Event of Default referred to in clause 9.1.5:

9.2.2.1 where such Event of Default could reasonably have been avoided by a member of the BEE Consortium or the Tranter Group, be equal to 75% (seventy five percent) of the Fair Market Value of the Buyout Shares; or

9.2.2.2 where such Event of Default could not reasonably have been avoided by a member of the BEE Consortium or the Tranter Group, be equal to the Fair Market Value of the Buyout Shares.

9.3 In the event that GBG (or its nominee) purchases the Buyout Shares pursuant to a Buyout Notice, it shall be entitled (but not obliged) to do so as a trustee for a BEE Compliant Entity to whom GBG (or its nominee) shall transfer the Buyout Shares on such terms and conditions as GBG may determine, provided that, as a condition of such transfer, such BEE Compliant Entity and the holders of any direct or indirect interests therein, shall agree to assume all unfulfilled or executory obligations, *mutatis mutandis*, of Tranter Burnstone and Tranter Gold, to GBG and Southgold.

9.4 GBG and Southgold's remedies under this clause 9 shall be without prejudice to any other remedies which may be available to GBG and/or Southgold under this Agreement or at law arising from the Event of Default in question.

10. OPERATIONALISATION OF TRANTER GOLD

10.1 Tranter Gold is in the process of becoming an active and operating prospecting, mining and procurement company in the gold mining sector and the Department of Minerals and Energy of the Government of the RSA has confirmed its support for this objective.

10.2 In order to assist and facilitate Tranter Gold with its objective of developing its capabilities and asset portfolio, GBG will use its reasonable commercial endeavours to assist Tranter Gold by, amongst other things, providing:

10.2.1 further opportunities to Tranter Gold to partner with GBG and/or its subsidiary companies in subsequent joint venture mining exploration activities in the RSA;

10.2.2 access to certain of GBG's and/or Southgold's existing prospecting and/or mining rights, in exchange for payment of a market related fee to be paid as and when such prospecting and/or mining rights become cash generating;

10.2.3 assistance in procuring suitable office accommodation for Tranter Gold and its staff and operations;

10.2.4 the transfer of skills and expertise to the staff and management of Tranter Gold;

10.2.5 introductions to other industry players; and

10.2.6 assistance with a certain level of administrative support during the initial stages of Tranter Gold becoming operational,

subject to the Parties agreeing specific terms and conditions in this regard and providing that such actions do not unreasonably interfere with or compete with GBG.

11. SURETYSHIP

Tranter Gold hereby unconditionally and irrevocably binds itself in favour of Southgold and GBG as a surety for and co-principal debtor together with Tranter Burnstone for the due, proper and punctual payment and/or performance by Tranter Burnstone of all of its obligations to Southgold and GBG arising from and/or in connection with this Agreement, hereby waiving the benefits of excussio, division and no value received, with the meaning and effect whereof it acknowledges itself to be fully acquainted.

12. WARRANTIES AND REPRESENTATIONS

12.1 Tranter Burnstone and Tranter Gold provide the warranties and representations set out in **Schedule 3** to and in favour of Southgold and GBG.

12.2 GBG and Southgold provide the warranties and representations set out in **Schedule 4** to and in favour of Tranter Burnstone and Tranter Gold.

12.3 Each of the representations and warranties given by each of the Parties in terms of clause 12.1 and 12.2 shall:

12.3.1 be deemed to be given as at the Signature Date, the Completion Date and the Acquisition Date, unless expressly provided to the contrary;

12.3.2 be a separate warranty and will in no way be limited or restricted by inference from the terms of any other warranty or by any other words in this Agreement;

12.3.3 continue and remain in force notwithstanding the completion of any or all the transactions contemplated in this Agreement; and

12.3.4 *prime facie* be deemed to be material and to be a material representation inducing the other Parties to enter into this Agreement.

12.4 Without prejudice to the rights and remedies available to the Parties at law, the Party providing the warranty and representation (in clause 8.4 and in this clause 12) hereby indemnifies the other Parties and holds them harmless against all claims, liabilities, damages and losses which may appear and which flows from or is caused by a breach and/or non-fulfilment of any of the warranties or representations given by that Party in clause 8.4 and in clause 12.1 and 12.2.

12.5 Save for the warranties and representations expressly set out in clause 8.4 (where applicable) and 12.1 and 12.2, the Parties make no other representations and give no other warranties.

13. GFL MEMORANDUM OF AGREEMENT

13.1 Pursuant to the suspensive condition set out in clause 4.1.10 of the GFL Memorandum of Agreement, the Parties hereby record that, in the event that GFIMSA does not receive the GFIMSA Equity Credits, the Parties acknowledge and agree that Southgold or its successors in title shall provide GFL Mining with the additional purchase consideration on and subject to exactly the same terms as contained in clause 8 of the Prospecting Agreement.

13.2 The terms and conditions of clause 13.1 shall not be interpreted or construed as being for the benefit of any third party who is not a Party to this Agreement.

14. NOVATION OF HISTORICAL AGREEMENTS

14.1 The Parties hereby agree that, with effect from the Completion Date and to the extent that such agreements may not have already expired or been cancelled or novated, this Agreement shall novate and supercede and replace in their entirety each of the following agreements:

14.1.1 the Transaction Framework Agreement;

14.1.2 the Heads of Agreement entered into on 19 April 2005 between Tranter Holdings, Southgold and GBG, which agreement was subsequently ceded and assigned from Tranter Holdings to Tranter Gold on 30 September 2005;

14.1.3 the Agreement entered into between Tranter Holdings and Southgold on or about 5 November 2002 relating to the establishment of an unincorporated joint venture between Southgold and Tranter Holdings; and

14.1.4 any other negotiations or agreements (whether in verbal or written form), the conclusion of which predates the Signature Date, between some or all of the Parties which pertains to the Transactions,

(collectively, ***the Historical Agreements***).

14.2 Pursuant to clause 14.1 and with effect from the Completion Date, the Historical Agreements are hereby cancelled and shall be of no further force or effect.

15. BREACH

15.1 GBG and/or Southgold shall be entitled to cancel this Agreement summarily by giving written notice to that effect to Tranter Burnstone if Tranter Burnstone fails to pay on due date any amount which becomes due and payable in terms of clause 6.2 and remains in default for 3 (three) Business Days after receiving written notice from GBG and/or Southgold to remedy the default.

15.2 Should Tranter Burnstone and/or Tranter Gold commit any other breach of this Agreement, GBG and/or Southgold shall not be entitled to cancel the Agreement unless the breach is material and cannot be remedied adequately by the payment of damages and, being such a breach, it is not remedied or is not capable of being remedied by specific performance within 10 (ten) Business Days after Tranter Burnstone and/or Tranter Gold, as the case may be, receives written notice from GBG and/or Southgold to remedy the breach.

15.3 Should GBG and/or Southgold at any time commit any breach of this Agreement, including any breach of warranty, Tranter Burnstone and/or Tranter Gold shall not be entitled to cancel this Agreement unless the breach is material and cannot be remedied adequately by the payment of damages and, being such a breach, it is not remedied or is not capable of being remedied by specific performance within 10 (ten) Business Days after GBG and/or Southgold receives written notice from Tranter Burnstone and/or Tranter Gold to remedy the breach.

15.4 Subject to the limitation on the Parties' respective rights to terminate this Agreement, the remedies of each Party in terms of this clause 15 shall not be exhaustive and shall be in addition and without prejudice to any other remedies it has under or in consequence of this Agreement or at law.

16. DISPUTE RESOLUTION

16.1 Should a dispute occur between the Parties in regard to any matter arising out of this Agreement or its interpretation or their respective rights and obligations under this Agreement or its cancellation or any matter arising out of its cancellation, the dispute shall be referred to the managing director (or, if no such position exists, its equivalent designation) of each of the Parties concerned, or in the case of a natural person, such person, for resolution who shall endeavour to resolve that dispute in good faith and with due willingness and intention to determine a solution.

16.2 If the managing directors (or the equivalent designation) are unable to resolve the dispute in accordance with clause 16.1 within 21 (twenty one) days of having declared a dispute, the matter shall be referred to and decided by arbitration in accordance with clause 16.3.

16.3 Arbitration amongst the Parties shall be subject to the following terms and conditions:

16.3.1 there shall be 1 (one) arbitrator who shall be, if the question in issue is:

16.3.1.1 primarily an accounting matter, an independent chartered accountant of not less than 15 (fifteen) years' standing;

16.3.1.2 primarily a legal matter, a practising attorney or advocate of not less than 15 (fifteen) years' standing;

16.3.1.3 primarily a technical matter, a suitably qualified person; and

16.3.1.4 any other matter, a suitably qualified person;

16.3.2 the appointment of the arbitrator shall be agreed upon between the Parties, but failing agreement between them within a period of 10 (ten) Business Days after the arbitration has been demanded, any of the Parties shall be entitled to request the chairperson for the time being of the Arbitration Foundation of South Africa to make the appointment and, in making his or her appointment, to have regard to the nature of the dispute;

16.3.3 subject to the other provisions of this clause 16, each arbitration shall be submitted to and determined by arbitration in accordance with the commercial arbitration Rules of the Arbitration Foundation of South Africa (as amended) provided that a Party which has been given notice of breach in terms of this Agreement and has not disputed such breach within the time period provided for remedying of such breach (if any) shall not thereafter be entitled to raise or refer such dispute to arbitration in terms of this clause 16, and the costs of any such arbitration shall be determined by the arbitrator as part of his or her finding;

16.3.4 the decision of the arbitrator shall be final and binding on the Parties, and may be made an order of any Court of competent jurisdiction. Each of the Parties hereby submits itself to the jurisdiction of the Witwatersrand Local Division of the High Court of South Africa should any other Party wish to make the arbitrator's decision an order of that court.

16.4 The provisions of this clause 16 will not preclude any Party from access to a competent division of the High Court of South Africa for urgent and/or interim relief pending the outcome of an arbitration in terms hereof or in respect of arbitration proceedings in terms hereof.

17. CONFIDENTIALITY

17.1 Without the prior written consent of the other Parties, each Party will, and will procure that their direct and indirect shareholders (to the extent practical for any party listed on a

Stock Exchange) and their subsidiaries, keep confidential and will not disclose to any person:

17.1.1 the details of this Agreement, as well as the details of all the transactions or agreements contemplated in this Agreement;

17.1.2 all information relating to the business, the operations, affairs, assets and liabilities of Southgold and GBG; and

17.1.3 all information relating to the business, the operations, affairs, assets and liabilities of any Party,

together (***Confidential Information***).

17.2 The Parties each respectively agree (in respect of itself and on behalf of its direct and indirect shareholders) to keep all Confidential Information confidential and to disclose it only to their respective officers, directors, employees, consultants and professional advisors who:

17.2.1 have a need to know (and then only to the extent that each such person has a need to know);

17.2.2 are aware that the Confidential Information should be kept confidential;

17.2.3 are aware of the disclosing Party's undertaking in relation to such information in terms of this Agreement; and

17.2.4 have been directed by the disclosing Party to keep the Confidential Information confidential and have undertaken to keep the Confidential Information confidential.

17.3 The obligations of the Parties in relation to the maintenance and non-disclosure of Confidential Information in terms of this Agreement do not extend to information that:

17.3.1 is disclosed to the receiving Party in terms of this Agreement but at the time of such disclosure such information is known to be in the lawful possession or control of that Party and not subject to an obligation of confidentiality;

17.3.2 is or becomes public knowledge, otherwise than pursuant to a breach of this Agreement by the Party who disclosed such Confidential Information; and

17.3.3 is required by the provisions of any law, statute or regulation, or during any court proceedings, or by the rules or regulations of any recognised stock exchange to be disclosed and the Party required to make the disclosure has limited, as far as reasonably possible, the extent of such disclosure and has consulted with the other Parties prior to making such disclosure.

17.4 For avoidance of doubt, the Parties hereby provide their consent for this Agreement to be filed as a publicly accessible material agreement of GBG.

17.5 The obligations contained in this clause 17 shall endure, even after the termination of this Agreement, without limit in point of time except and until such Confidential Information falls within any of the provisions of clause 17.3.1 to 17.3.3.

18. PUBLICITY

Should any Party wish to make an announcement of the transactions contemplated in this Agreement, that Party will prepare an announcement in consultation with the other Parties, provided that, prior to any publication, the final form of the announcement will be put to the other Parties for their consent, which they shall not unreasonably withhold or delay.

19. DOMICILIUM CITANDI ET EXECUTANDI

19.1 Each of the Parties chooses the address set out alongside its name below as their *domicilium citandi et executandi* at which all notices, legal processes and other communications must be delivered for the purposes of this Agreement:

19.1.1 Tranter Gold, Tranter Burnstone and Tranter Holdings:

Physical address	4th Floor 138 West Street Sandton 2196
Postal address	P.O. Box 652683 Benmore 2010
Fax number	(011) 209 5045
Attention	Mr Joshua Ngoma (copied to Mr Chris Morris)

19.1.2 GBG and Southgold:

Physical address	4th Floor 138 West Street Sandton 2196
Postal address	P O Box 78182 Sandton 2146

Fax number	(011) 884 1826
Attention	Mr Ferdi Dippennaar

19.2 Any notice or communication required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing, but it shall be competent to give notice by telefax.

19.3 Any notice to a Party contained in a correctly addressed envelope and:

19.3.1 sent by prepaid registered post to it at its chosen address; or

19.3.2 delivered by hand to a responsible person during ordinary business hours at its chosen address,

shall be deemed to have been received, in the case of registered post, on the 8^{th} (eighth) Business Day after posting (unless the contrary is proved) and, in the case of hand delivery, on the day of delivery.

19.4 Any notice by telefax to a Party at its telefax number shall be deemed, unless the contrary is proved, to have been received within 4 (four) hours of transmission where it is transmitted during normal business hours or within 24 (twenty four) hours of the opening of business on the first Business Day after it is transmitted where it is transmitted outside those business hours.

19.5 Each of the Parties shall be entitled at any time to change its address to any other address in RSA by giving written notice to that effect to the other Parties.

20. FURTHER ASSISTANCE

20.1 The Parties agree that they will co-operate fully to do all such further acts and execute any further documents as may be necessary or desirable to give full effect to the arrangements contemplated by this Agreement.

20.2 The Parties shall at all times during the continuance of this Agreement observe the principles of good faith towards one another in the performance of their obligations in terms of this Agreement, which shall include the Parties:

20.2.1 at all times during the term of this Agreement acting reasonably, honestly and in good faith; and

20.2.2 performing their obligations arising from this Agreement diligently and with reasonable care.

21. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties as far as the subject matter contained in this Agreement is concerned and no Party shall have any claim or right of action arising from any undertaking, representation or warranty not included in this Agreement.

22. SEVERABILITY

Each of the provisions of this Agreement shall be considered as separate terms and conditions and in the event that this Agreement is affected by any legislation or any amendment thereto, or if the provisions herein contained are by virtue of that legislation or otherwise, held to be illegal, invalid, prohibited or unenforceable, then any such provisions shall be ineffective only to the extent of the illegality, invalidity, prohibition or unenforceability and each of the remaining provisions hereof shall remain in full force and effect as if the illegal, invalid, prohibited or unenforceable provision was not a part hereof.

23. VARIATION AND CANCELLATION

No agreement varying, adding to, deleting from or cancelling this Agreement shall be effective unless reduced to writing and signed by or on behalf of the Parties.

24. CESSION

Except as otherwise expressly provided in this Agreement, none of the Parties shall be entitled to assign, cede, delegate or transfer any rights, obligations, share or interest acquired in terms of this Agreement, in whole or in part, to any other Party or person without the prior written consent of all the other Parties, which consent shall not unreasonably be withheld or delayed.

25. INDULGENCE

No extension of time, relaxation or indulgence granted by any Party to another shall be deemed to be a waiver or tacit amendment of that Party's rights in terms hereof, nor shall any such relaxation or indulgence be deemed to be a novation or waiver of the terms and conditions of this Agreement.

26. GOVERNING LAW AND JURISDICTION

26.1 This Agreement shall in all respects be governed by and construed in accordance with the law of the RSA, and all disputes, actions and other matters in connection therewith shall be determined in accordance with such law.

26.2 Each of the Parties hereby consents and submits to the non-exclusive jurisdiction of the Witwatersrand Local Division of the High Court of South Africa for the purposes of all or any legal proceedings arising from or concerning this Agreement which are not subject to arbitration.

26.3 Nothing in this Agreement shall prevent any Party from seeking relief on an urgent or interlocutory basis from any High Court of South Africa with jurisdiction.

27. COSTS

Each Party shall bear its own costs associated with the negotiation, preparation and drafting of this Agreement.

28. COUNTERPARTS

This Agreement may be signed in any number of counterparts and all such counterparts taken together shall constitute one and the same Agreement.

SIGNED at **SANDTON** on **8 AUGUST 2007**

For and on behalf of **Pamish Investments No 29 (Proprietary) Limited**

Name: **Joshua Ngoma**

Capacity: **Director**

who warrants his authority to do so.

SIGNED at **SANDTON** on **8 AUGUST 2007**

For and on behalf of **Tranter Gold (Proprietary) Limited**

Name: **Joshua Ngoma**

Capacity: **Director**

who warrants his authority to do so.

SIGNED at **SANDTON** on **8 AUGUST 2007**

For and on behalf of **Tranter Holdings (Proprietary) Limited**

Name: **Joshua Ngoma**

Capacity: **Director**

who warrants his authority to do so.

SIGNED at **SANDTON** on **8 AUGUST 2007**

For and on behalf of **Southgold Exploration (Proprietary) Limited**

Name: **Ferdinand Dippenaar**

Capacity: **Director**

who warrants his authority to do so.

SIGNED at **SANDTON** on **8 AUGUST 2007**

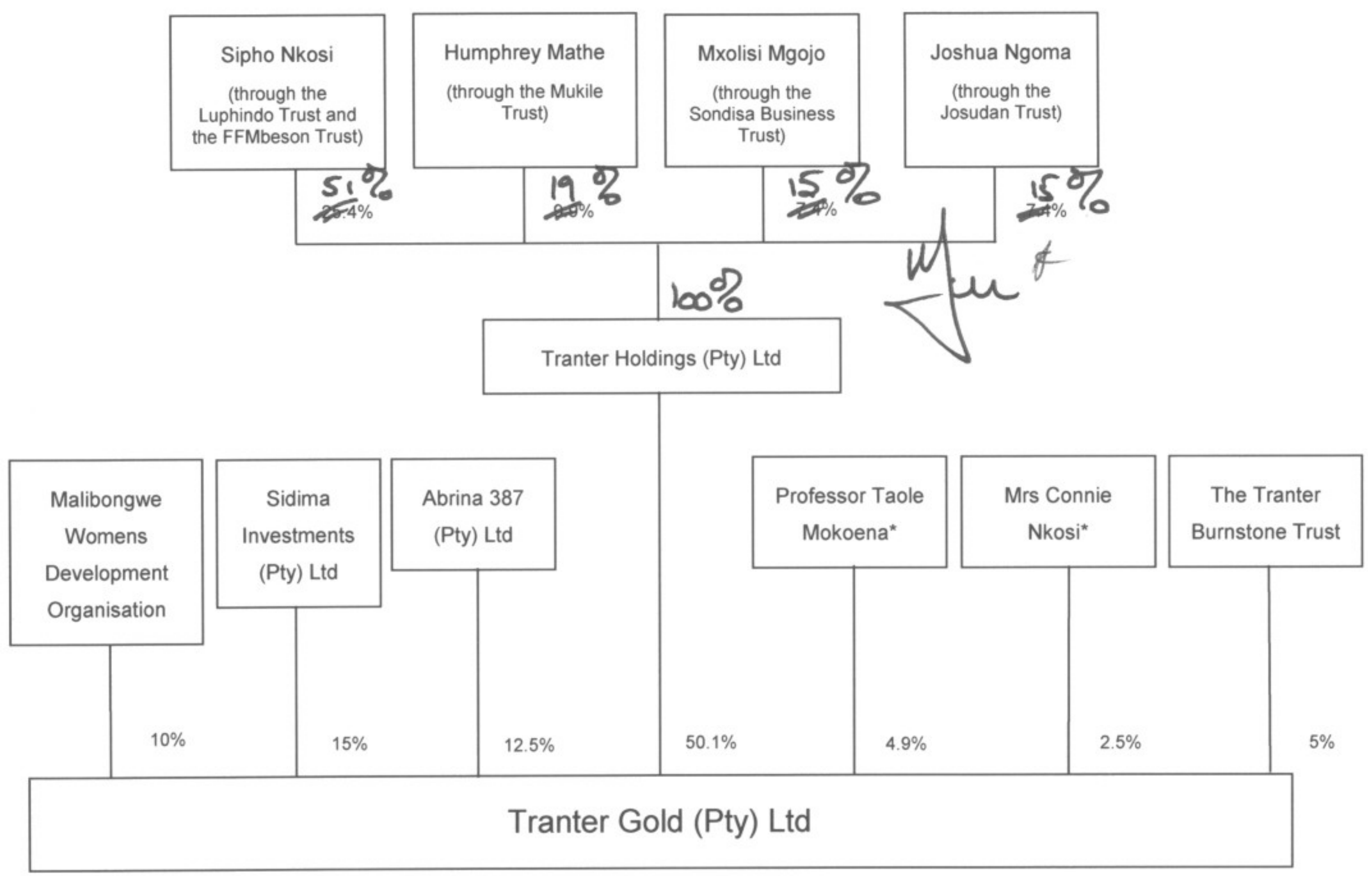
For and on behalf of **Great Basin Gold Limited**

Name: **Ferdinand Dippenaar**

Capacity: **Director**

who warrants his authority to do so.

SCHEDULE 1: BEE CONSORTIUM MEMBERS



* may hold shares through personal trusts

SCHEDULE 2: LIMITED LEGAL DUE DILIGENCE INFORMATION CHECKLIST

In order to establish and verify the nature, status and composition of Tranter Gold with reference to its compliance (or otherwise) with the relevant ownership provisions of the BEE Legislation, each BEE Consortium Member (and shareholder of a BEE Consortium Member) shall provide GBG and its representatives with access to information which may include (but not necessarily be limited to) the following:

A: INFORMATION IN RELATION TO EACH BEE CONSORTIUM MEMBER OR EACH SHAREHOLDER OF A BEE CONSORTIUM MEMBER THAT IS A COMPANY:

1. Constituent documents:

1.1 Memorandum and Articles of Association;

1.2 shareholders' register;

2 Share capital

2.1 details of the entire authorized and issued share capital;

2.2 details of the rights attaching to each class of shares and other securities (including any rights of pre-emption, rights of first refusal and voting agreements)

2.3 details (and agreements) relating to any share options;

2.4 details of any encumbrances over the company's shares and securities;

2.5 details of any debt instruments;

3 Shareholders

3.1 full names and identity number/registration number of each shareholder of the company;

3.2 share certificates;

3.3 copies of any and all agreements amongst the shareholders of the company relating to their relationship as shareholders in the company;

4 General

4.1 names of all directors and secretaries of the company;

4.2 details of all loan or facility arrangements;

4.3 details of any mortgages, guarantees or other security agreements provided by the company;

4.4 any other agreements, documents or instruments which are material to the ownership and/or management of the company

B: INFORMATION IN RELATION TO EACH BEE CONSORTIUM MEMBER OR ANY SHAREHOLDER OF A BEE CONSORTIUM MEMBER THAT IS A TRUST:

1. Constituent documents:

1.1 Trust Deed;

2 Trustees

2.1 full names and identity number of each Trustee;

2.2 letters of authority of each of the Trustees;

3 Beneficiaries

3.1 details of all beneficiaries of the Trust;

4 General

4.1 any other agreements, documents or instruments which are material to the control or dispositions of the Trust.

C: INFORMATION IN RELATION TO EACH BEE CONSORTIUM MEMBER OR ANY SHAREHOLDER OF A BEE CONSORTIUM MEMBER THAT IS A NATURAL PERSON:

1. Constituent documents:

1.1 full names and identity number;

1.2 nationality; and

1.3 copy of identity document (or if not South African, a copy of their passport).

2 General

2.1 any other agreements, documents or instruments which are material to the acquisition or disposal of assets by the individual.

SCHEDULE 3: WARRANTIES AND REPRESENTATIONS BY TRANTER BURNSTONE AND TRANTER GOLD

Pursuant to clause 12.1, Tranter Burnstone and Tranter Gold warrant and represent in favour of Southgold and GBG that:

(a) they have been independently advised as to and are aware that applicable Securities Laws will impose restrictions on the resale of the GBG Shares in Canada and the United States, confirm that no representation has been made to them by or on behalf of GBG with respect thereto, acknowledge that they are aware of the characteristics of the GBG Shares, the risks relating to an investment therein and of the fact that they may not be able to resell the GBG Shares except in accordance with the terms and conditions of this Agreement, applicable Securities Laws and regulatory policy, and they agree that any certificates representing the GBG Shares, including dematerialized shares, as applicable, will bear a legend or electronic notation indicating that the resale of the GBG Shares is restricted;

(b) they have not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the GBG Shares;

(c) they have neither received or been provided with, nor have they requested, nor do they have any need to receive, any offering memorandum, prospectus, sales or advertising literature, or any other document (other than financial statements, interim financial statements or any other document, the content of which is prescribed by statute or regulation) describing the business and affairs of GBG which has been prepared for delivery to, and review by, prospective purchasers in order to assist them in making an investment decision in respect of the GBG Shares;

(d) they understand that the GBG Shares are being hereby offered on a "private placement" basis and that the sale and delivery of the GBG Shares is conditional upon such sale being exempt from the requirements as to the filing of a prospectus or delivery of an offering memorandum or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or delivery of an offering memorandum;

(e) they acknowledge that as a result of the GBG Shares being purchased pursuant to exemptions from the prospectus requirements contained in applicable Securities Laws:

    (i) Tranter Burnstone is restricted from using most of the civil remedies available under applicable Securities Laws; and

    (ii) Tranter Burnstone may not receive information that would otherwise be required to be provided to Tranter Burnstone under applicable Securities Laws; and

    (iii) GBG is relieved from certain obligations that would otherwise apply under applicable Securities Laws;

(f) pursuant to Tranter Burnstone and Tranter Gold being resident in a jurisdiction (the "International Jurisdiction") outside of Canada and the United States:

(i) they are knowledgeable of, or have been independently advised as to, the applicable Securities Laws of the International Jurisdiction (other than the laws of Canada and the United States) which would apply to this subscription, if there are any);

(ii) Tranter Burnstone is purchasing the GBG Shares pursuant to exemptions from the prospectus and registration requirements under the applicable securities laws of the International Jurisdiction or, if such requirements are not applicable, Tranter Burnstone is permitted to purchase the GBG Shares under the applicable Securities Laws of the International Jurisdiction without the need to rely on such exemptions;

(iii) the GBG Shares are being acquired for investment only and not with a view to resale and distribution; and

(iv) the acquisition of the GBG Shares by Tranter Burnstone does not trigger:

(A) any obligation to prepare and file a prospectus or similar document, or any other report with respect to such acquisition; or

(B) any registration or other obligation on the part of GBG;

(g) the entering into of this Agreement and the transactions contemplated hereby will not result in a violation of any of the terms or provisions of any law applicable to Tranter Burnstone, or any of Tranter Burnstone's constating documents, or any agreement to which Tranter Burnstone is a party or by which it is bound;

(h) pursuant to B.C. Instrument 72-503 "Distribution of Securities Outside British Columbia" promulgated under the *Securities Act* (British Columbia), Tranter Burnstone and Tranter Gold

(i) certify that they are not resident in British Columbia; and

(ii) acknowledge that:

(A) no securities commission or similar regulatory authority has reviewed or passed on the merits of the GBG Shares;

(B) there is no government or other insurance covering the GBG Shares;

(C) there are risks associated with the acquisition of the GBG Shares;

(D) there are restrictions on Tranter Burnstone's ability to resell the GBG Shares and it is the responsibility of Tranter Burnstone to find out what those restrictions are and to comply with them before selling the GBG Shares; and

(E) GBG has advised Tranter Burnstone that GBG is relying on an exemption from the requirements to provide Tranter Burnstone with a prospectus and to sell securities through a person or company registered to sell securities under applicable Securities Laws and, as a consequence of acquiring securities pursuant to this exemption, certain protections, rights and remedies provided by applicable Securities Laws, including statutory rights of rescission or damages, will not be available to Tranter Burnstone;

(i) Tranter Burnstone is aware that the GBG Shares have not been and will not be registered under the United States *Securities Act of 1933*, as amended ("U.S. Securities Act") or the securities laws of any state and that these securities may not be offered or sold in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of all applicable states and acknowledges that GBG is not obliged to and has no present intention of filing a registration statement under the U.S. Securities Act in respect of the GBG Shares;

(j) the GBG Shares have not been offered to Tranter Burnstone in the United States, and the individuals executing and delivering this Agreement on behalf of Tranter Burnstone were not in the United States when the order was placed and this Agreement was executed and delivered;

(k) Tranter Burnstone and its shareholders are not U.S. Persons (as defined in Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or company organized or incorporated under the laws of the United States) and are not acquiring the GBG Shares on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person;

(l) Tranter Burnstone undertakes and agrees that it will not offer or sell the GBG Shares in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available;

(m) they have the legal capacity to enter into and be bound by this Agreement and further certify that all necessary approvals and authorizations of directors, shareholders or otherwise have been given and obtained;

(n) this Agreement has been duly and validly executed and delivered by and constitutes a legal, valid, and binding contract enforceable against Tranter Burnstone and Tranter Gold in accordance with its terms;

(o) the compliance by Tranter Burnstone and Tranter Gold with all of the provisions of this Agreement and the consummation of the Transactions contemplated herein:

  (i) will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance on any of the property or assets of Tranter Burnstone or Tranter Gold pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which Tranter Burnstone or Tranter Gold is a party or by which Tranter Burnstone or Tranter Gold is bound or to which any of the property or assets of Tranter Burnstone or Tranter Gold are subject;

  (ii) will not result in any violation of any of the terms or provisions of the constituting documents, by laws or resolutions of the directors or shareholders of Tranter Burnstone or Tranter Gold; and

(iii) will not result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over Tranter Burnstone or Tranter Gold or any of its properties;

(p) Tranter Burnstone has no knowledge of a "material fact" or "material change" (as those terms are defined in applicable Securities Laws) in the affairs of GBG that has not been generally disclosed to the public, save knowledge of this particular transaction;

(q) Tranter Burnstone is acquiring the GBG Shares as principal for its own account and not with a view to resale or distribution;

(r) Tranter Burnstone has such knowledge of financial and business affairs as to be capable of evaluating the merits and risks of their investment and it is able to bear the economic risk of loss of its investment;

(s) they have relied solely upon publicly available information relating to GBG and not upon any verbal or written representation as to fact or otherwise made by or on behalf of GBG;

(t) if required by applicable Securities Laws, regulations, rules, policies or orders or by any securities commission, Stock Exchange or other regulatory authority, Tranter Burnstone will execute, deliver, file and otherwise assist GBG in filing, such reports, undertakings and other documents with respect to the issue of the GBG Shares as may be required, including, without limitation any document referred to in this Agreement;

(u) Tranter Burnstone will comply with all Securities Laws and with the policies of the Stock Exchanges concerning the purchase of, the holding of, and the resale restrictions applicable to, the GBG Shares;

(v) Tranter Burnstone will not resell the GBG Shares except in accordance with the provisions of this Agreement, applicable Securities Laws and Stock Exchange rules, in the future;

(w) Tranter Burnstone is not acting jointly or in concert with any other person in relation to Tranter Burnstone's agreement to acquire the GBG Shares;

(x) they acknowledge that they have been encouraged to obtain independent legal, income tax and investment advice with respect to Tranter Burnstone's subscription for the GBG Shares and accordingly, have been independently advised as to the meanings of all terms contained herein relevant to Tranter Burnstone for purposes of giving representations, warranties and covenants under this Agreement;

(y) they are solely responsible for obtaining such legal and tax advice as they consider appropriate in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereunder;

(z) they undertake to notify GBG immediately of any change in any representation, warranty or other information relating to them set forth herein which takes place prior to the Acquisition Date; and

(aa) they acknowledge that they have carefully read this Agreement, and each of the representations and warranties set forth herein will be true and correct as of the Signature Date, the Completion Date and the Acquisition Date.

SCHEDULE 4: WARRANTIES AND REPRESENTATIONS BY SOUTHGOLD AND GBG

Pursuant to clause 12.2, GBG warrants and represents in favour of Tranter Burnstone and Tranter Gold that:

(a) GBG has been duly incorporated and organized and is validly existing under the laws of its jurisdiction of its incorporation and is in good standing in respect of the filing of annual reports in its jurisdiction of incorporation, and has all requisite corporate power and authority to execute and deliver this Agreement and to issue the GBG Shares;

(b) the execution and delivery of, and the performance of the terms of, this Agreement by GBG, including the issue of the GBG Shares pursuant hereto does not and will not constitute a breach of or default under the constituting documents of GBG or any law, regulation, order or ruling applicable to GBG or any agreement, contract or deed to which GBG is a party or by which it is bound;

(c) subject to acceptance by GBG, this Agreement has been, or will be upon execution and delivery thereof, duly authorized, executed and delivered by GBG and constitutes, or will constitute when executed and delivered, a legal, valid and binding obligation of GBG enforceable in accordance with its terms;

(d) on the Acquisition Date, the GBG Shares will be duly and validly created, authorized and issued as fully paid and non-assessable securities;

(e) GBG is a reporting issuer in good standing under the securities laws of all the provinces and territories of Canada (collectively, the "Canadian Reporting Jurisdictions") and no material change relating to GBG has occurred with respect to which the requisite material change report has not been filed under any applicable securities laws in the Canadian Reporting Jurisdictions and no such disclosure has been made on a confidential basis;

(f) GBG is a reporting issuer under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and no material change relating to GBG has occurred with respect to which the requisite periodic or current report has not been filed under the Exchange Act and no such disclosure has been made on a confidential basis;

(g) all reports filed with the securities regulatory authorities in the Canadian Reporting Jurisdictions during the twelve (12) months preceding the date hereof (collectively, the "Public Record") are in all material respects accurate and omit no facts, the omission of which makes the Public Record, or any particulars therein, misleading or incorrect;

(h) the audited annual financial statements of GBG as at and for the year ended December 31, 2006 (the "Financial Statements") present fairly, in all material respects, the financial position of GBG as at the dates set out therein and the results of its operations and the changes in its financial position for the periods then ended, in accordance with Canadian generally accepted accounting principles;

(i) no order ceasing or suspending trading in securities of GBG or prohibiting the sale of securities by GBG has been issued and no proceedings for this purpose have been instituted, are pending, contemplated or threatened.

SCHEDULE 5: FAIR MARKET VALUE

1. The Fair Market Value of the Buyout Shares for the purposes of clause 9.1 of the Agreement shall be determined by the Auditors (or, if the Auditors are unable and/or decline to act, or are unable to act, a chartered accountant appointed for this purpose by the President for the time being of the Institute of Chartered Accountants of South Africa on the application of either GBG or Tranter Gold) subject to the provisions of this Schedule 5.

2. The Auditors (or such other person appointed in accordance with paragraph 1 of this Schedule) shall determine the Fair Market Value of the Buyout Shares by way of applying the following principles:

   (a) where the Buyout Shares are listed on a recognised securities exchange, then the fair market value thereof shall be the volume weighted average share price for the preceding 30 (thirty) days prior to the valuation date; or

   (b) where the Buyout Shares are not listed on a recognised securities exchange:

      (i) valuing the Buyout Shares to be sold as on an arm's length sale between a willing seller and a willing buyer;

      (ii) if GBG is then carrying on business as a going concern, on the assumption that it will continue to do so;

      (iii) that the Buyout Shares to be sold are capable of being transferred without restriction and without reference to the application or requirements of the BEE Legislation;

      (iv) valuing the Buyout Shares to be sold as a rateable proportion of the total value of all the issued shares of GBG without any premium or discount being attributable to the percentage of the issued share capital of the GBG which they represent; and

      (v) reflect any other factors which the Auditors (or such other person appointed in accordance with paragraph 1 of this Schedule) reasonably believe should be taken into account.

3. If any difficulty arises in applying any of these principles and/or assumptions then the Auditors (or such other person appointed in accordance with paragraph 1 of this Schedule) shall resolve that difficulty in such manner as they shall in their absolute discretion think fit.

4. The Auditors (or such other person appointed in accordance with paragraph 1 of this Schedule) shall be requested to determine the Fair Market Value within 30 (thirty) Business Days of its/their appointment and notify GBG and Tranter Gold of their determination. The

fees of the Auditors (or such other person appointed in accordance with paragraph 1 of this Schedule) shall be borne in equal shares by GBG and Tranter Gold.

5. The Auditors (or such other person appointed in accordance with paragraph 1 of this Schedule) shall act as an expert and not as an arbitrator and its determination shall be final and binding on the Parties (in the absence of fraud or manifest error).

6. The Auditors (or such other person appointed in accordance with paragraph 1 of this Schedule) may have access to all accounting records or other relevant documents of GBG, subject to any confidentiality provisions.