GAMING AND ENTERTAINMENT GROUP LIMITED

ACN 008 740 672

TO BE RENAMED

MINTAILS
LIMITED

INFORMATION MEMORANDUM

AND

NOTICE OF GENERAL MEETING

TO BE HELD ON

THE 26th DAY OF OCTOBER 2005

AT 10:00 AM

AT SUITE 2, 1233 HIGH STREET, ARMADALE VIC 3143

This Information Memorandum is dated the 21st day of September 2005 and is provided to Members of Gaming and Entertainment Group Limited ACN 008 740 672 ("GAM" or the "Company") to be considered in connection with the General Meeting of the Company.

TABLE OF CONTENTS

Dear Shareholder,

The enclosed Memorandum contains information and Resolutions proposed for a meeting of shareholders to be held on 26 October 2005.

Shareholders are being asked to approve a change in the company's activities through the acquisition of 100% of a substantial mining operation in South Africa. The West Rand Gold Project includes all the existing plant and equipment of the Mogale Gold Project and the rights to treat over 130 million tonnes of gold tailings of various grades and associated in-situ resources.

The West Rand Gold Project is located in the Witwatersrand Basin of South Africa approximately 60 kms west of Johannesburg. The Witwatersrand Basin has historically produced in excess of 1.6 billion ounces of gold representing over 35% of the world's total gold production since mining commenced there in 1886. As described in the Memorandum it is proposed to commence mining activities within 4 months of the completion of the proposed capital raising. To commence mining operations (i.e. Stage 1 recommissioning) will cost $4 million ($3 million capital costs and $1 million operating costs) which will establish mining operations for the processing of 200,000 tonnes of tailings per month (i.e. 2.4 m tonnes per annum or "tpa"). Independent engineering and feasibility studies completed over the last 12 months indicate the Mogale Plant can be operated on a profitable basis upon recommissioning and can be subsequently up-graded to process approximately 600,000 tonnes per month (7.2m tpa) at a capital cost of around AUD 35 million. It is proposed that this up-grade (Stage 2 upgrade) will take place within the first 24 months after the initial recommissioning and will be funded predominantly through a combination of existing cashflow and debt funding.

The enclosed information has been prepared to assist shareholders in their assessment of the merits of the proposal to proceed with the acquisition of the West Rand Gold Project. The Memorandum is detailed and shareholders are encouraged to read it in its entirety. In the event that shareholders approve the proposal the company will also be changing its name to Mintails Limited to reflect the change in activities.

The company has retained Atomaer Holdings Proprietary Limited ("Atomaer") to provide full project management services to the Project and as part of these arrangements we intend to utilise Atomaer's process expertise and technology as described in the Memorandum.

Implementation of the proposal is a company making event for Gaming and Entertainment Group Limited and has been structured to establish the company as a significant international gold producer. Negotiations are already in progress with other major operators within the region which could have the effect of further increasing the size, operating capacity and profitability of the project. The West Rand Project is designed as a regional play and it is anticipated that once production is established (i.e. within the first 4 months) that other projects of similar size and nature can be acquired and added to the portfolio.

The Board of GAM believe that the proposal provides significant value and benefits to shareholders and are pleased to recommend that shareholders vote in favour of the resolutions.

For And On Behalf Of The Board

Bryan J Frost
Chairman

1. INTRODUCTION

This Memorandum provides information about Resolutions proposed by the Directors of Gaming and Entertainment Group Limited ACN 008 740 672 ("GAM" or the "Company") in the attached Notice of General Meeting.

Members will be asked to consider resolutions relating to GAM's proposed acquisition of a mineral tailings processing project in South Africa known as the West Rand Gold Project. Resolutions are also proposed to authorise a Capital Raising by GAM necessary to meet funding commitments associated with the West Rand Gold Project. It is proposed that the Company's name will be changed to Mintails Limited to reflect the change in activities.

Transaction Summary

A. GAM to acquire a South African company (Mogale) currently under external administration which owns a dormant gold tailing recovery project in the Witwatersrand region of South Africa comprising a carbon in leach processing plant and rights to treat over 130 million tonnes of tailings materials including rocks, sands and slimes.

B. GAM to fund a scheme of compromise to end Mogale's external administration (known in South Africa as judicial management) for a cost of approximately AUD 2,000,000.

C. GAM to spend approximately AUD 4,000,000 recommissioning Mogale's tailings plant operations through a stage one upgrade. A substantial stage two upgrade is to be planned over the next 12 months.

D. GAM is seeking to raise AUD 12,000,000 to fund implementation of the proposal and provide additional working capital through the issue of up to 60,000,000 ordinary shares.

E. GAM is seeking authority for the issue of new shares as consideration for the acquisition of Mogale.

F. GAM will change its name to Mintails Limited.

1.1 Acquisition in the West Rand Gold Project

The proposed acquisition of the West Rand Gold Project (in this Memorandum referred to as the "Proposal") involves GAM acquiring all the issued capital of Bold 'n New Investments 45 (Pty) Ltd, a company incorporated under the Companies Act of the Republic of South Africa (hereinafter referred to as the "Project Company") which company holds, or holds rights to acquire, all the issued capital of Mogale Gold (Pty) Ltd ('Mogale") the owner and operator of the Mogale Gold Project and other rights to acquire gold assets to establish regional gold operations in the West Rand Gold Field ("West Rand Gold Project"). This is to be achieved initially through two transactions:

(a) The acquisition of one thousand five hundred (1500) shares in the Project Company held by Mintails Pty Ltd ACN 111 001 042, a company duly incorporated in Victoria, Australia under the *Corporations Act* ("Mintails"), ("the "Mintails Acquisition Agreement"); and

(b) The acquisition of the remaining one thousand (1,000) shares in the issued capital of the Project Company from Atomaer Holdings Pty Limited ("Atomaer"), a company not associated with Mintails (the "Atomaer Acquisition Agreement").

The Mintails Acquisition Agreement and the Atomaer Acquisition Agreement are to be completed concurrently and are collectively hereafter referred to as the "Share Acquisition Agreements".

The Project Company currently is entitled to or has the right to acquire shares equating to fifty-one percent (51%) of Mogale with the remaining forty-nine percent (49%) of issued capital of Mogale held by the South African Export Development Fund ("SAEDF"). Additionally, Mogale is currently under judicial management (a type of insolvency administration under South African law – refer Section 2 for details).

Upon completion of the Share Acquisition Agreements the Company will provide funding support to the Project Company to complete the acquisition of all of the remaining issued capital of Mogale held by SAEDF ("SAEDF Purchase Agreement") and to procure the retirement of the judicial manager through implementation of a scheme of compromise.

These outcomes will be achieved through:

(i) implementation of the Project Company's rights to acquire all of the remaining shares in Mogale held by SAEDF under the SAEDF Purchase Agreement (refer below for details); and

(ii) implementation of a scheme of compromise with Mogale's creditors and judicial manger as provided for in certain agreements between the Project Company and the judicial manager (refer Section 4.2 for details).

Upon completion of the Share Acquisition Agreements and the SAEDF Purchase Agreement, GAM's predominant activities will change from provision of software gaming services to the production of gold and other metals and minerals from the operation of a mineral tailings reclamation project. In keeping with this proposed change of activities, GAM also intends to change its name to "Mintails Limited".

The entire consideration for the acquisition of the Project Company's shares will be satisfied by way of share allotments to the respective shareholders/vendors of Mintails and the Project Company of:

- 35,000,000 GAM Shares at a deemed issue price of twenty ($0.20) cents each (i.e. AUD 7 million) in relation to the initial payment which shares are to be allocated equally between the vendors under the Mintails Acquisition Agreement and the Atomaer Acquisition Agreement; and

- 20,000,000 B class shares (hereinafter referred to as Performance Shares) (i.e. AUD 4 million) which will convert to GAM Shares upon satisfaction of the Performance Milestones and to be allocated equally between the vendors of the respective agreements. In the event that the Performance Milestones are not met with the relevant time frame, these Performance Shares will be cancelled in accordance with their terms of issue. (Refer to Section 7.4 for details).

The performance based payments are conditional upon the achievement of the following Performance Milestones:

(a) the commencement of mineral processing operations by Mogale no later than four (4) months from the completion of the Capital Raising; and

(b) the achievement by Mogale of a net profit before tax of at least AUD two million dollars ($2,000,000) for the period from commencement of mineral processing operations until a date one year later.

The SAEDF Purchase Agreement, in addition to transferring the 49% of outstanding Mogale shares, also provides for the transfer and assignment of sixty three million Rand (R63,000,000) in loans owing by Mogale to SAEDF (the "SAEDF Loan") to the Project Company or a related corporation of the Project Company. The consideration payable under the SAEDF Purchase Agreement is:

(a) The allotment of 17,500,000 GAM Shares at a deemed issue price of twenty cents ($0.20) each (AUD 3,500,000).

(b) The assumption and performance by the Project Company of the obligations of SAEDF under a guarantee by SAEDF to DRD Gold Limited (formerly known as Durban Roodepoort Deeps Ltd) ('DRD') up to a value of three million and five hundred thousand Rand (R3,500,000) or approximately AUD700,000.

(c) A deferred payment of thirty million Rands (R30,000,000) or approximately AUD 6,000,000 to SAEDF, subject to the Project Company and Mogale first having fully repaid to GAM and any other third party financier all loans made for the purposes of the West Rand Gold Project and then payable only when Mogale commences repayment of the SAEDF Loan to the Project Company. The deferred payment will be made progressively to SAEDF on a dollar for dollar basis as and when the SAEDF Loan is repaid by Mogale to the Project Company or GAM. The deferred payment is not expected to commence for at least five (5) years from the acquisition date.

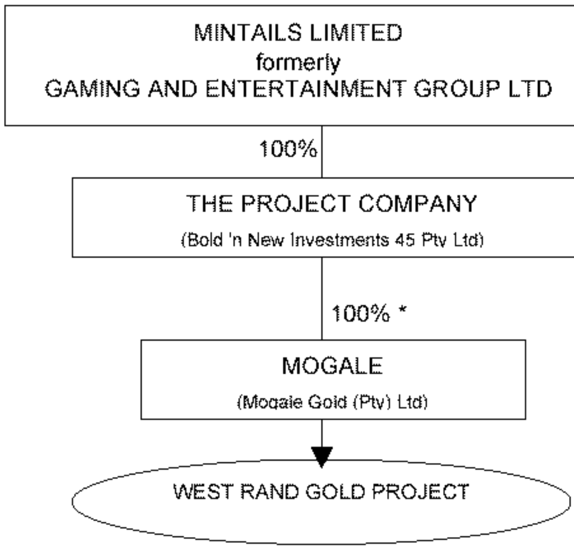
The arrangements for procuring removal of Mogale's judicial manager through a scheme of compromise are discussed in Section 4.1 of this Memorandum. The total cost of completing the scheme is estimated to be R10,000,000 or approximately AUD 2,000,000.

The Company's shares are currently suspended from trading on ASX. Following the General Meeting, if the Proposal is approved, the Company's shares will remain suspended from trading on ASX pending completion of the Share Acquisition Agreements and satisfaction of ASX's requirements for lifting of the suspension. These requirements will include the Company having sufficient shareholders each with a holding of at least ten thousand (10,000) shares with an aggregate value of at least two thousand dollars ($2,000) (i.e. based on a twenty cent ($0.20) issue price for the shares) and the lodgement of a prospectus in relation to the Capital Raising in compliance with Section 710 of the *Corporations Act* 2001.

As part of the Proposal, GAM will also seek to undertake a Capital Raising of up to twelve million dollars ($12,000,000) via the issue of up to sixty million (60,000,000) shares at a price of twenty cents ($0.20) each. The funds raised through the Capital Raising will be applied towards working capital and funding the Project Company's obligations as outlined in this Memorandum. Following completion of the Share Acquisition Agreements, the SAEDF Purchase Agreement and the Capital Raising, and subject to fulfilment of the ASX requirements, trading of the Company's shares on ASX is expected to resume.

Shareholder approval in accordance with the provisions of the *Corporations Act* 2001 and the ASX Listing Rules is required before the Proposal can be implemented. The Resolutions in the attached Notice of General Meeting are proposed in order to obtain the consents required by the *Corporations Act* 2001 and the ASX Listing Rules. This Memorandum provides information to assist Shareholders in evaluating the Proposal and in order to decide how to cast their votes in relation to the Resolutions. In the event that Shareholder approval is not obtained in respect of all the Resolutions, the Proposal will not proceed.

Figure 1: Ownership structure post completion of the Share Acquisition Agreements and the SAEDF Purchase Agreement



If the Proposal is approved, GAM securities to be issued in consideration of the completion of the Share Acquisition Agreements and the SAEDF Purchase Agreement may be subject to restriction agreements ("escrow") preventing those securities being traded or disposed of, except as permitted by the ASX Listing Rules, for a period of up to twenty-four (24) months. Therefore, those GAM securities, or a substantial proportion of them, would not be listed on ASX until expiration of the restriction period. In that regard, it is anticipated that approximately forty percent (40%) of the GAM shares issued to the vendor under the Mintails Acquisition Agreement may be exempted from escrow restrictions on the basis of cash expenditure made by the vendor in acquiring the interest.

2. BACKGROUND OF THE WEST RAND GOLD PROJECT

The Mogale Gold Project was established in June 2002 using funds provided by SAEDF, a venture capital fund in South Africa. Mogale was incorporated as a private company under the Companies Act of South Africa. Mogale was established for the purposes of acquiring the gold processing plant ('Mogale Plant') and specified rights to reclaim and produce gold from tailings in the West Rand Gold Field, approximately 50 km west of Johannesburg, from West Witwatersrand Gold Mines Limited ('West Wits'), a subsidiary of DRD. The acquisition was completed in June 2002 for a purchase price of twenty-five million rand (R25,000,000).

The Mogale Plant is a carbon in leach (CIL) processing plant with a current capacity to process approximately two hundred thousand (200,000) tonnes of surface resources (sands, slimes and low-grade rock) per month. The plant was established in 1991/92 to treat one hundred thousand (100,000) tonnes per month of ore from open pits and twenty thousand (20,000) tonnes per month of ore from underground mining to produce around six thousand

(6,000) ounces of gold per month. The plant was subsequently upgraded and modified to increase capacity for the processing of tailings. The operations of the plant are currently suspended pending the implementation of process and plant improvements prior to re-commissioning. (Refer Section 3.7).

Mogale also acquired the rights to treat surface resources in the form of regional tailings dumps comprising approximately one hundred and thirty million (130,000,000) tonnes of material. Mogale commenced mining and processing surface resources in the Mogale Plant in 2002.

Mogale's operations encountered difficulties, primarily from project and plant mismanagement. Plant feed at less than one hundred thousand (100,000) tonnes per month was substantially below the business plan of two hundred and forty thousand (240,000) tonnes per month. Gold recoveries of fifty percent (50%) and less resulted in sustained operating losses. The acquisition and development of the Mogale Gold Project by Mogale was funded by SAEDF, which is a financier and investor, not a project and plant manager. SAEDF funded operating losses of Mogale to the extent that Mogale's debt to SAEDF grew to approximately sixty-three million rand (R63,000,000) (around twelve million six hundred thousand Australian dollars (AUD $12,600,000)), which debt included the original acquisition costs. Mogale also still owes DRD approximately eight million, three hundred thousand rand (R8,300,000) around AUD 1,660,000 in connection with the original acquisition.

In November 2003, SAEDF applied to the High Court of South Africa ("the Court") to place Mogale in judicial management. The services of the company that had been engaged to manage the project on behalf of Mogale were terminated.

Under the Companies Act of South Africa, the role of the judicial manager is to assume management of the company in a manner as is deemed most economic and most promotive of the interests of the members and creditors of the company. The process is closely supervised by the Court and, as can be the case with a company administration under Australian law, provides protection for the company from the claims of creditors pending implementation of a scheme for compromise. The objective of the judicial manager is to have the company work out of its financial difficulties, failing which he/she would petition for a liquidation.

Mogale has not been able to maintain effective operations since the appointment of the judicial manager due to a lack of working capital. Additional capital resources to fund plant, processing and operating improvements are necessary in order to pursue economic operations.

3. THE PROJECT

3.1 Atomaer

The Project Company was incorporated under the Companies Act of South Africa in March 2004. It was established by the Atomaer Group as a wholly owned subsidiary of Atomaer Holdings Pty Ltd.

Atomaer is a process technology company based in Perth, Western Australia with operating companies in Australia, South Africa, South America and elsewhere. Atomaer and its operating entities are engaged in the business of evaluating, developing, designing, engineering, commissioning and managing processes, process units and processing plants for use in:

(a) the production of minerals, metals and chemicals; and

(b) the treatment of water, effluent and gas emissions from industrial plants for environmental remediation and sustainable development.

In early 2004, the Atomaer Group approached Mogale to evaluate and submit proposals for improvements in processes and performance of the Mogale Plant. Over the succeeding months, the Atomaer Group carried out technical and financial evaluation of Mogale and the Mogale Gold Project. Through that work, Atomaer Group management formed the opinion that, subject to the implementation of plant and process improvements to the Mogale Plant and better management practices, there was significant potential for the recovery of Mogale and the Mogale Gold Project and the development of a regional gold project, namely the West Rand Gold Project.

Through negotiations with Mogale's stakeholders, including the judicial managers and SAEDF, agreement was reached through which the Atomaer Group would make available technical expertise, process technology and management and provide and procure funding to achieve:

(i) upgrades and improvements to the Mogale Plant identified by the Atomaer Group;

(ii) compromise of Mogale's general creditors' claims;

(iii) subordination or elimination of major creditors' claims;

(iv) implementation of improved management practices;

(v) implementation of a court-sanctioned scheme to address creditors' claims and terminate the judicial management, including payment of all costs associated with that process.

The Project Company was formed to represent the Atomaer Group's interests in this work out proposal. The initial terms of the arrangement were set out in the Preliminary Mogale Gold Agreement that was signed by the Project Company, the SAEDF and the Judicial Managers of Mogale in July 2004. Under the Preliminary Mogale Gold Agreement the Project Company became entitled to acquire fifty-one percent (51%) of Mogale's issued capital on a staged basis through the progressive funding of Mogale. More recently, the Project Company negotiated with SAEDF to secure the rights to acquire the remaining issued capital of Mogale and all right title and interest to the SAEDF Loan from SAEDF. Details of these arrangements are contained in Sections 1 and 7 of this Memorandum.

It should be noted that, under the Black Economic Empowerment ("BEE") policies of the Government of South Africa, the Mineral and Petroleum Resources Development Act of South Africa requires participation by BEE parties in the ownership and management of mining assets to a level of fifteen percent (15%) within five (5) years and to twenty-six percent (26%) within ten (10) years of commencement. The requirements of the Act do not expropriate those interests so that BEE parties must acquire those interests on commercial terms. Accordingly, Mogale and its shareholders must provide for the investment and participation by BEE parties in the shareholding and management of Mogale on commercial terms in due course.

In November 2004 the Project Company, Mogale, the Judicial Managers and SAEDF entered into a work-out and funding agreement ('Work-out and Funding Agreement') to provide a certain commercial framework for the implementation the Preliminary Mogale Gold Agreement and, in particular, the scheme of arrangement and the discharge of Mogale from judicial management.

3.2 Mintails

Having negotiated the arrangements provided for in the Preliminary Mogale Gold Agreement, the Atomaer Group sought a funding partner in Australia for the project. Those efforts led to the formation of Mintails by a group of investors who were independent from the Atomaer Group.

In September 2004 Mintails and Atomaer entered into the West Rand Gold Agreement under which Mintails agreed to make advances to the Project Company for the purposes of funding the implementation of a scheme of arrangement to procure the discharge of Mogale from judicial management, the re-commissioning and development of the Mogale Gold Project, and the acquisition of other gold assets in the West Rand to establish the West Rand Gold Project.

Under the West Rand Gold Agreement Mintails became entitled to 60% of the issued capital of the Project Company by completing funding obligations. Atomaer retains the remaining 40% of the issued capital of the Project Company.

Mintails has to date advanced in excess of AUD 2,000,000 to the Project Company in accordance with the West Rand Gold Agreement. Atomaer has provided advances of approximately three million rand (R3,000,000) (around AUD 500,000) in addition to technical and financial management to the Project Company and Mogale.

Atomaer and Mintails have agreed to sell their respective shareholdings in the Project Company to the Company pursuant to the Share Acquisition Agreements. Completion of those agreements will provide GAM with ownership of all issued capital in the Project Company and thereby its entitlements with respect to 51% of Mogale and the Mogale Gold Project.

The Company will simultaneously move to procure the Project Company to settle the acquisition of the remaining issued capital of Mogale from SAEDF through completion of the SAEDF Purchase Agreement. Accordingly, on completion of the Share Acquisition Agreements and the SAEDF Purchase Agreement the Company will have effective ownership of one hundred percent (100%) of the issued capital of Mogale and the Mogale Gold Project.

3.3 Project Location and Geology

The West Rand Gold Project is located in the Witwatersrand Basin of South Africa. This region has historically produced over forty-seven thousand (47,000) tonnes (1,685.5 million ounces) of gold representing over thirty-five percent (35%) of the world's total gold production since mining commenced there in 1886.

The Witwatersrand Basin is approximately ovoid in shape with a length of at least three hundred and fifty kilometres (350 km) running along a northeast-southwest axis with a maximum width of two hundred kilometres (200 km). It covers a large area in the northeast segment of central South Africa.

There are five (5) major goldfields in the Witwatersrand Basin: Evander, Rand, Cartonville, Klerksdorp and Free State. These fields dominated gold production throughout the last century with production peaking at one thousand (1,000) tonnes (32.58 million ounces) in 1970.

The Rand Gold Field is subdivided into three (3) regions: East Rand, Central Rand and West Rand. The West Rand Gold Project is located in the West Rand Gold Field.

The West Rand Gold Field is hosted by rocks of the Witwatersrand Supergroup forming a syncline, which plunges to the southeast and is truncated by the Witpootjie Fault. This area is structurally detached from the Central Rand Gold Field to the southeast and from the Witwatersrand Line to the southwest. Part of the triangular shaped mass of the Central Rand Group Rocks, considerably deformed by faulting and folding, underlies the area.

Stratigraphically lower strata of the West Rand Group surround the triangle of Central Rand Group Rocks that are overlain in parts by younger strata of Ventersdorp and Transvaal age. These units unconformably overlay the Archaean basement, which outcrops to the north and west of Mogale City (formerly Krugersdorp).

The general geology of the mining area is dominated by quartzites and conglomerates of the Central Rand Group. The axial trace of the syncline extends from northwest to southeast. The western limb of the syncline swings sharply southwards onto Randfontein Estates and is characterised by steep dips ranging from sixty to eighty degrees (60° to 80°) east. The eastern limb trends southeastwards across Luipaardsvlei Estates with shallower dips ranging from fifteen to thirty degrees (15° to 30°).

The surface materials and rights to surface materials held by Mogale through its mining licences and related agreements with West Wits are located approximately eight (8) kilometres southwest of Mogale City (formerly Krugersdorp).

3.4 West Wits Plant Enterprise Sale Agreement

By agreement made between DRD, West Witwatersrand Gold Mines Limited and Mogale in June 2002, Mogale acquired from DRD and West Wits, a subsidiary of DRD, the gold tailings and processing operations of West Wits located in the West Rand Gold Field ("West Wits Plant Enterprise Sale Agreement").

The assets acquired by Mogale under the West Wits Plant Enterprise Sale Agreement and subsequent amendments to that agreement included the rights to reclaim and produce gold from sands, slimes and low grade rock arising from previous gold mining and processing operations within the mining authorisations of West Wits and DRD and the West Wits Plant (renamed "Mogale Plant").

The surface materials acquired by Mogale included

- Cams Sands, a large tailings deposit located approximately seven kilometres (7 km) east of the Mogale Plant reported to contain an estimated seven million and one hundred thousand (7,100,000) tonnes with 0.68 gpt Au.

- North Sands, a large tailings deposit located approximately five kilometres (5 km) east of the Mogale Plant reported to contain an estimated eight million, four hundred thousand (8,400,000) tonnes with 0.45 gpt Au.

Mogale's rights to reclaim and produce gold from tailings under the West Wits Plant Enterprise Sale Agreement are subject to specific third party rights disclosed by DRD in the agreement and are conditional on rehabilitating the footprint of any surface resources processed by Mogale.

The assets acquired by Mogale also included rights to utilise various surface rights and surface right permits for the operation of various slimes pipelines and shaft equipment.

Under the West Wits Plant Enterprise Sale Agreement, Mogale has the right to deposit "by-products" from its processing operations into two open pits held by West Wits and situated adjacent to the Mogale Plant. These open pits have a combined capacity of some eighty million (80,000,000) tonnes. The arrangement provides a convenient means for Mogale to dispose of its treated material. Filling the open pits is also beneficial for DRD, as it will reduce DRD's re-habitation liabilities at the sites. Accordingly, DRD has agreed that, for each tonne of material deposited in the open pits by Mogale, the balance of purchase price owed by Mogale to DRD (approximately eight million, three hundred thousand rand (R8,300,000)) shall be reduced by forty-two South African cents (R0.42) per tonne of material deposited as back-fill the open pits. Under the arrangements, West Wits has retained its rights to mine underground in the area containing the surface rights granted to Mogale.

3.5 Work-out Plan

The Work Out and Funding Agreement requires the implementation of a work-out plan and business plan for Mogale.

The work-out Plan provides for the restoration of Mogale as a commercially solvent entity through the settlement and payment of the judicial managers costs, approval and implementation of the scheme of arrangement including the compromise of pre-judicial management creditors, payment of post-judicial management creditors and the discharge of Mogale from judicial management by order of the Court.

The total costs of the Work-out is estimated to be ten million Rand (R10,000,000), approximately AUD 2,000,000, and includes the payment of the compromise with pre-judicial management creditors, payment of judicial management costs and post judicial management creditors and the implementation and completion of the scheme of arrangement.

Documentation for the scheme of arrangement is being prepared. Completion of the work-out is expected to take 4 months. Upon successful completion of the work-out, the judicial managers will retire and transfer the management and control of Mogale to its Board of Directors.

3.6 Business Plan

The Business Plan for Mogale is required as supporting documentation for the work-out plan and, of course, for the future development and operations of Mogale as a solvent and commercially sustainable entity.

The Business Plan for Mogale provides for the implementation and funding of the work-out plan and the operations and development of the Mogale Gold Project in two stages: Stage 1 provides for the recommissioning of operations for the Mogale Gold Project, and Stage 2 provides for a major up-grade to the Mogale Plant.

3.7 Recommissioning Operations (Stage 1)

The Project Company plans to make process and plant improvements and then re-commission the operations of the Mogale Gold Project during the period in which the work-out plan is being implemented.

The Work Out and Funding Agreement provides for the recommissioning of operations of the Mogale Gold Project at the sole cost, risk and benefit of the Project Company during the work-out period. This means that the Project Company is entitled to all revenues from the production of gold prior to the discharge of the judicial management order, subject to the

Project Company continuing to perform its obligations under the Work Out and Funding Agreement.

All management, operating and technical personnel are in place at Mogale. The process and plant improvements are proposed to be completed and re-commissioning of operations commenced within 4 months of the date on which funds are received by the Project Company.

The process and plant improvements to the Mogale Plant include:

(a) the replacement and upgrade of the slurry pumping and piping system;

(b) the refurbishment and recommissioning of critical process units to assist in gold recoveries using Atomaer process technology;

(c) the installation and commissioning of Atomaer water treatment technology to enable production of process water from acid mine water thereby reducing operating costs; and

(d) implementation of initiatives to reduce power costs and assist in gold recovery.

The capital cost of the process and plant improvements to the Mogale Plant are estimated to be fifteen million Rand (R15,000,000) or approximately AUD3,000,000. Pre-production operating costs during the period in which those process and plant improvements are being completed are estimated to be five million Rand (R5,000,000) or approximately AUD1,000,000.

Upon completion of the process and plant improvements the operations of the Mogale Gold Project will be re-commissioned to process approximately 200,000 tonnes of Cams sands with a headgrade of 0.68 gpt Au to produce approximately 100 kilograms (3,215 ounces) of gold per month to achieve sustainable positive operating cash flows.

The Business Plan provides for the Mogale Gold Project to be operated at those levels to process Cams Sands at the rate of 2.4 million tonnes with a headgrade of 0.68 gpt Au to produce approximately 38,500 ounces of gold per annum for a period of 12 months during which detailed process and engineering designs will be finalised for the up-grade of the Mogale Gold Plant.

3.8 Mogale Plant Up-grade – Stage 2

The operating strategy of the Project Company is to produce gold initially from the reclamation of surface materials using high plant through-put and advances in process technology for economies of scale to achieve higher gold production and low operating costs per tonne processed.

Independent engineering and feasibility studies completed over the last 12 months for the Project Company indicate the Mogale Plant can be up-graded to process approximately 600,000 tonnes per month (7.2Mtpa) through dual leach circuits to produce approximately 100,000 ounces of gold per annum from the reclamation and processing of approximately 1.4 million tonnes of low grade surface materials per month to generate returns on invested capital and low operating costs per tonne processed for an initial project life of 10 years.

Following the recommissioning of the Mogale Gold Project, the project team will proceed with resource definition drilling, testwork and process optimisation on representative samples from the large tailings deposits and finalise plans for the major upgrade of the Mogale Plant through the installation of dual circuits: a sand processing circuit, and a slimes processing circuit.

A sands beneficiation circuit will be installed to process 400,000 tonnes of low grade sands per month to recover and feed 300,000 tonnes per month at higher grades to the leach circuit.

Similarly, a slimes beneficiation circuit will be installed to process 1,000,000 tonnes per month of low grade slimes to recover and feed 300,000 tonnes per month at higher grades to the leach circuit. The stage 2 upgrade will include leach train for slimes. Unlike sands the slimes do not require any milling. In addition, pre-conditioning tanks will be installed prior to the leach circuits. The stage 2 upgrade has been examined by independent engineers who confirmed that the required work and costings had been identified in adequate detail.

Plans for the Stage 2 upgrade include the introduction of beneficiation plant circuits for both sands and slimes at the front end of the treatment process. Preliminary test work conducted by independent consultants has indicated that the planned beneficiation process is technically feasible. However the test work conducted to date has been limited and further more extensive testwork will be required to optimise the process parameters necessary for the plants to handle the various resource feeds from the different dumps. This will most likely include further drilling and sampling of the dumps. Independent advice indicates that after completion of full test work, the design of the beneficiation plant should present little process risk and that the engineering required for a typical beneficiation plant is well understood. Whilst the introduction of a beneficiation plant will increase capital expenditure, it is expected that it will deliver substantial reductions in operating costs by reducing consumption of reagents and enabling the CIL plant to treat low grade dumps that were previously not economic to process.

Several South African gold dump processing companies have successfully utilised beneficiation plants in this manner for a number of years.

3.9 <u>West Rand Gold Project</u>

The Business Plan also provides for the evaluation and consolidation of complementary gold assets through acquisitions and joint ventures to build regional gold operations in the West Rand.

The Project Company has an option to acquire surface and in-situ materials in the areas of the Durban Roodepoort Deep and Rand Leases Gold Mines, approximately 13 kilometers west of the Mogale Gold Plant. Those surface resources have the potential to extend the project life of the Mogale Gold Project to 20 years.

3.10 <u>Key Factors and Risks</u>

Key factors in determining the success or otherwise of the West Rand Gold Project are as follows:

(a) <u>Metal Prices and Exchange Rates</u>

These are beyond the control of Mogale and its management. They are determined by conditions in the international economy and the metals and financial markets. Currency risks can to some extent be managed through hedging contracts. However, hedging can be expensive and Mogale has no hedging contracts in place. Accordingly, adverse movements in the gold price or currency rates will have a detrimental effect on the viability of the West Rand Gold Project.

(b) Head-Grade of Tailings

Although there is sometimes scope to blend or enhance low-grade ore to reduce the mass and thereby upgrade the ore being processed, the head-grade is by and large what it is.

Data examined by the Atomaer Group in its appraisal of the West Rand Gold Project indicated that the average grades of available tailings would provide a viable source of ore for processing at the upgraded Mogale Plant. However, several important qualifications need to be made with respect to that position:

(i) some surface resources may have already been the subject of tailings re-treatment although there is no apparent evidence of such;

(ii) other than in a few limited locations there has been no apparent systematic drilling and sampling to determine the actual grade and distribution of gold in the available surface resources;

(iii) much of the "information" available to assess the potential grades of the available surface resources is anecdotal in nature;

(iv) there will be likely variations to grades as between different surface resource sites and within the same sites as a reflection of the changes in processing technology that produced the tailings over the life of the original mines.

Only a program of systematic drilling and sampling of the surface resources would determine and improve grades.

(c) Management

The Project Documents provide for the management of the West Rand Gold Project to be undertaken by the Atomaer Group through its subsidiary Atomaer (RSA) Pty Ltd ("Atomaer RSA"). Atomaer RSA was established in 1996 and has over the last eight (8) years established core businesses in industrial and environmental process technologies. Atomaer RSA has a full compliment of technical, financial and commercial personnel resident in South Africa with the capabilities to manage Mogale and the West Rand Gold Project. The Atomaer Research Centre was established at the premises of Atomaer RSA in South Africa in 2003 and incorporates laboratory and pilot plant facilities for process development.

Mogale has entered management arrangements with Atomaer RSA that provides for the terms upon which Atomaer will provide full management services to Mogale and the West Rand Gold Project. An outline of the Atomaer RSA management arrangements is provided in Section 7 of this Memorandum.

(d) Technology

As manager of Mogale and the West Rand Gold Project, the Atomaer Group will be responsible for all technical processes employed at the Mogale Plant. As part of those arrangements Mogale will utilise the Atomaer Group's intellectual property and process technology which will be made available under a technology licence agreement (details of which are set out in Section 7 of this Memorandum).

The Atomaer Group is a process technology group engaged in the business of evaluating, developing, designing, engineering, commissioning and managing processes, process units and processing plants for use in:

- the production of minerals, metals and chemicals
- the treatment of water, effluent and gas emissions from industrial plants for environmental remediation and sustainable development

Over the last thirteen (13) years, the Atomaer Group has developed and commercialised process technology for use in the leaching of gold and other metals. The Atomaer Group reactors and related process technology have been installed and operate in large gold processing plants in Australia, South Africa, Fiji and in countries in South America and Europe.

The Atomaer Group has a substantial data base from test work, pilot and commercial scale plant trials on gold processing plants, including tailings reclamation operations in South Africa and in Australia. The database also includes information from Mogale and other plants processing surface resources, such as slimes, sands and other tailings.

The Atomaer Group's reactors and related process technology have been designed and developed to promote mass transfer through interphasic interaction to:

(i) accelerate leach kinetics through rapid oxidation and dissolution of gold;

(ii) increase overall gold recoveries;

(iii) lower reagent consumption (cyanide, oxygen and lime) and related costs;

(iv) lower residence time for leaching; and

(v) increase plant throughput.

The Atomaer Group commenced work on the West Rand Gold Project in late February 2004. At that time gold recoveries were in the range of fifty to sixty percent (50% to 60%) of available grade. Between March and May 2004 the Atomaer Group conducted commercial scale plant trials of the Atomaer Group's process technology at the Mogale Plant. The results showed, among other things, gold recoveries increasing to an average of sixty-eight and a half percent (68.5%) during the trial period and it is anticipated that recoveries could have been increased further with plant maintenance to reduce solution losses to tailings.

Over the last twelve (12) months the Atomaer Group identified a range of plant and process improvements that it believes have the potential to increase gold recoveries at the Mogale Plant to over seventy to eighty percent (70% to 80%).

The Atomaer Group has developed and operates process technology for the treatment of acid mine water to produce process quality water for gold processing plants. The Atomaer Group is proceeding with the installation of its water process technology at the Mogale Plant, which should reduce the costs of water purchased from the local water authority substantially.

The Atomaer Group has also developed process technology for cyanide destruction in tailings from gold processing plants. That technology will be applied at the Mogale Plant to enable tailings to be safely discharged and stored in the adjacent pits.

4. MOGALE SCHEME OF ARRANGEMENT

4.1 The Scheme Proposed

Pursuant to the arrangements originally entered into under the Preliminary Mogale Gold Agreement, the Project Company negotiated a proposed work out of the Mogale from judicial management status with the other relevant parties including the judicial manager of Mogale, the SAEDF and the Atomaer Group. The terms of the work out proposal and the respective parties' commitment to achieving its implementation are now provided for in the Preliminary Mogale Gold Agreement, the Work Out and Funding Agreement and the Amendment and Restatement Agreement. The terms of the Work Out and Funding Agreement supplement and in some instances supplant the arrangements made earlier through the Preliminary Mogale Gold Agreement. The Amendment and Restatement Agreement made further amendments to the arrangements to provide additional time for the implementation of the scheme of arrangement. Collectively the agreements are referred to as the Work Out Agreements.

Under the Work Out Agreements, the Project Company will sponsor a scheme to compromise the debts owed by Mogale to pre judicial management general creditors and bring an end to the Judicial Manager's appointment . Funds are to be provided by the Project Company with respect to:

(a) Legal fees for the preparation and approval of the scheme of arrangement which are estimated at R350,000 (approximately AUD 70,000);

(b) payment of the Judicial Manager's costs associated with the judicial management of Mogale which are estimated at R 1,055,000 (approximately AUD 211,000);

(c) funding of a compromise payment to pre-judicial management general creditors under the scheme of arrangement which are not expected to exceed in aggregate R 1,900,000 (approximately AUD 380,000);

(d) funding of the receivers costs ands disbursements in implementing and completing the scheme which are estimated at R288,000 (approximately AUD 57,600); and

(e) discharge the debts incurred post the Judicial Manager's appointment in the approximate sum of R 5,573,355 (approximately AUD 1,114,671).

Implementation of the scheme is expected by no later that 31 December 2005 and, allowing for contingencies, the funding commitment of the Project Company for the scheme is estimated at R 10,000,000 or approximately AUD 2,000,000.

Pending implementation of the Scheme, a management committee comprised of two representatives appointed by the Project Company and one each appointed by the SAEDF and the judicial manager shall oversee implementation of the scheme and management of Mogale. However, the conduct and management of the day-to-day affairs of Mogale is delegated by the terms of the Work Out Agreements to Atomaer RSA, the South African subsidiary of Atomaer.

4.2 Mogale Post Implementation of the Scheme

The successful implementation of the Scheme will eliminate all obligations of Mogale outstanding to general creditors, effect the retirement of the judicial manager and discharge all legal and other costs incurred in the implementation of the scheme.

As indicated, Mogale also owes approximately eight million, three hundred thousand rand (R8,300,000) to DRD ("the DRD Debt") under arrangements related to its original purchase of the Mogale Plant and surface resource rights. However, under an agreement entered with DRD in June 2003, Mogale has until June 2007 to repay the DRD Debt plus any interest accrued during the intervening period. Mogale also has the right to reduce the DRD Debt by forty-two South African cents (R0.42) for every tonne of by-product from the Mogale Plant deposited in the adjacent open pits for which DRD has environment and rehabilitation liabilities.

Through the SAEDF Loan Mogale owes SAEDF sixty three million, six hundred and forty thousand rand (R63,000,000). This debt arose through the provision of funding by SAEDF to Mogale for the original acquisition and to accommodate subsequent operating losses. Under the terms of the Preliminary Mogale Gold Agreement, the SAEDF Loan was subordinated to advances made to Mogale by the Project Company. Subsequently, the Project Company negotiated with SAEDF for the acquisition of the SAEDF Loan and the outstanding equity of Mogale under the terms of the SAEDF Purchase Agreement. The terms of the SAEDF Purchase Agreement are detailed in Section 7 of this Memorandum.

4.3 The Project Company's Advance

Under the Preliminary Mogale Gold Agreement, the Project Company agreed to advance twenty-five million rand (R25,000,000) ("the Project Company Advance") to Mogale in progressive instalments to satisfy Mogale's funding requirements with respect to the scheme, plant upgrades and general working capital.

In exchange for completing the Project Company Advance, the Project Company is entitled to fifty-one percent (51%) of the issued capital of Mogale. The remaining issued capital of Mogale is held by the SAEDF pending completion of the acquisition of that remaining issued capital by the Project Company under the SAEDF Purchase Agreement.

To date, the Project Company has advanced approximately R13,500,000 towards meeting its commitment under the Project Company Advance. The bulk of these funds, some R 10,000,000, were provided by Mintails. The remaining funds were advanced to the Project Company by its founder, the Atomaer Group.

Subject to approval of the Proposal, settlement of the Share Acquisition Agreements and the SAEDF Purchase Agreement and the successful completion of the Capital Raising, GAM will advance to the Project Company (GAM's then wholly owned subsidiary) sufficient funds from the proceeds of the Capital Raising to enable the Project Company to complete its obligations with respect to the making of the Project Company Advance. Mogale has or will apply the funds constituting the Project Company Advance in accordance with the following table:

MOGALE'S USE OF PROJECT COMPANY ADVANCE		
	AUD	
R13,500,000	2.7m	Already received and expended on operating expenses
R10,000,000	2.0m	Implementation of scheme for removal of judicial manager
R20,000,000	4.0m	Recommissioning capital expenditure - stage I
R 5,000,000	1.0m	Recommissioning operating expenditure - stage II
R48,500,000	**9.7m**	**Total**

* Note the exchange rate used in this Memorandum between the Australia dollar and South African Rand is AUD 1 = R 5

Interest will accrue on the Project Company Advance at commercial rates. However, on completion of the SAEDF Purchase Agreement Mogale will become a wholly owned subsidiary of the Project Company which in turn will be a wholly owned subsidiary of GAM. In these circumstances, it is anticipated that scheduling of loan repayment will be arranged to best suit the overall needs and objections of GAM and its subsidiaries.

4.4 Convertible Note Funding

On 18 July 2005 the Company announced that it had reached agreement with Peregrine Corporate Limited ("Peregrine") for the provision of one million dollars (AUD 1,000,000) through an allotment of convertible notes to clients of Peregrine. Funds raised through this issue have been made available by GAM to the Project Company by way of loan advance to enable the Project Company to maintain its commitment to funding the operations of Mogale pending implementation of the Proposal the subject of this Memorandum. Under the terms of issue, the conversion of the convertible notes is to occur at a price of five ($0.05) cents per share subject to the Company obtaining shareholder approval for the conversion. An outline of the resolution providing for the conversion of the convertible notes is contained in Section 8.6 of this Memorandum.

4.5 Ongoing Mogale Operations

Following implementation of the Proposal, the Mogale Plant is to be recommissioned after completing the process and plant improvements described in Section 3.7. It is anticipated that this upgrade will enable the plant to operate on a cashflow positive basis thereby enabling Mogale to achieve sustained solvency and financial stability. Implementation of the second and more substantial plant upgrade described in Section 3.8 will not be made until suitable funding arrangements have been put in place.

Those funding arrangements are likely to involve a substantial proportion of the cost being met by external project based financing with the remaining costs to be funded through a mixture of internal cashflows and some additional equity subscription. These arrangements are not expected to be completed for some twelve months from implementation of the Proposal.

5. CURRENT ACTIVITIES OF GAM

The Company currently holds a significant shareholding in Gaming & Entertainment Group Inc ("G&EG"), which is a US based company operating as a supplier of server based gaming systems and networked interactive electronic bingo games for the Native American gaming market in the US and the Canadian gaming market. G&EG also supplies its server based gaming system and game content library to amusement arcades, sports book betting shops, bingo halls and casinos in Europe. G&EG is traded on NASDAQ on the Over The Counter Bulletin Board market.

The structure and operational arrangement with respect to GAM's existing activities means it and its management are well placed to focus on the pursuit of the business opportunity represented by the Proposal. The Directors believe that the Proposal will provide the means to achieve the Company's stated objective of identifying new investment opportunities that have the potential to provide shareholders with economic returns.

The Company has no plans to dispose of its current investments irrespective of whether or not the Proposal is approved and implemented.

6. DIRECTORS AND MANAGEMENT

6.1 Directors

Directors in office at the date of this Memorandum and particulars of their qualifications and experience are:

- **Bryan John Frost - Executive Chairman**

  Age 65, appointed 21 July 2000

  Mr Frost was a partner of a Melbourne based stock broking firm until 1973, where he specialised in advising international investors, banks and investment funds of Australian arbitrage and investments. Over the past 30 years he has been involved in a number of public companies as an executive director and major shareholder and possesses extensive experience in financial engineering and management.

  Mr Frost was first a Director of the Company from 1993 to 1999 and is currently Executive Chairman of Yamarna Goldfields Limited, Peregrine Corporate Limited and Cangold Limited (Vancouver).

- **Richard Revelins BEc - Executive Director & Chief Executive Officer**

  Age 43, appointed 21 July 2000

  Mr Revelins has held senior executive positions in merchant banking and stock broking firms and has acted as an advisor to a number of public companies in such matters as takeovers, mergers and acquisitions, sale of businesses, debt and equity raisings and strategic financial advice.

  Currently, Mr Revelins is a Director of Yamarna Goldfields Limited, Peregrine Corporate Limited and Cangold Limited (Vancouver). He is Chairman of Atlas Gold Limited and Company Secretary of Prana Biotechnology Limited.

- **Mr Jeremy Cooper BA MBA - Non-Executive Director**

  Age 36, appointed 4 September 2003

  Mr Cooper has 14 years experience in senior management positions with major international corporations, focussing on strategy, business development and mergers and acquisitions. He obtained his BA from Cambridge University and his MBA from INSEAD.

Since 2000, Mr Cooper has worked with a number of Australasian companies on corporate development activities including capital restructurings, ASX listings and mergers and acquisitions.

Mr Cooper is currently director of Premier Bionics Ltd, and Peregrine Corporate Ltd.

At this point no appointments to the board of directors are contemplated or proposed as part of the Proposal.

6.2 Management

Upon implementation of the Proposal and completion of the Project Company Advance, GAM will, through its holdings in the Project Company, own a one hundred percent (100%) interest in Mogale and the West Rand Gold Project. In accordance with the provisions of the Work Out Agreements, the day-to-day operations of Mogale and the West Rand Gold Project are to be carried out by the Atomaer Group. An outline of the Atomaer Group's qualifications and experience is provided in Sections 3.1 and 3.10 (c) and (d) of this Memorandum.

7. THE PROJECT DOCUMENTS OVERVIEW

7.1 The Work Out Agreements

The Work Out Agreements are comprised of a series of documents through which the Project Company gave commitments to the Judicial Manager, SAEDF and Mogale to provide funding support for the compromise of Mogale's debts and the removal of the judicial manager. The relevant documents and their respective purposes are:

(a) **The Preliminary Mogale Gold Agreement of July 2004.** This document established the preliminary framework for the Project Company to provide interim funding to Mogale and conduct due diligence on the operations of Mogale and its financial position. Principal terms for acquisition of 51% of the issued capital of Mogale by the Project Company were also agreed.

(b) **The Work Out and Funding Agreement of November 2004** incorporated the provisions and procedures for implementation of the compromise that were contemplated by the Preliminary Mogale Gold Agreement. This document provided for the funding of the compromise scheme in detail.

(c) **The Amendment and Restatement Agreement of August 2004.** Delays in implementing the scheme of arrangement proposed for Mogale meant that the timetable contemplated in the Work Out and Funding Agreement has to be extended. This document was necessary to reset the implementation timetable taking into account the timing requirements GAM had with respect to seeking approval to proceed with the Proposal, including completion of the Capital Raising. The document also confirms the currency of the arrangements under The Work Out and Funding Agreement.

(d) **The Indemnity and Subordination Agreement of August 2005.** The delays in implementing the compromise proposed for Mogale as contemplated by the Work

Out and Funding Agreement gave rise to concerns on the part of the judicial managers as to their potential liabilities incurred by Mogale after 31 March 2005, being the date by which the compromise was originally intended to be implemented. Accordingly, as part of the arrangements for the extension of the timetable, (as provided for in the Amendment and Restatement Agreement), the judicial managers negotiated the provision of an indemnity by the Project Company for any claims founded upon and attributable to delays in the launch of the scheme proposed for Mogale beyond 31 March 2005. The indemnity also covers legal costs and expenses reasonably incurred by the judicial managers in defending or settling any such claims. In addition, the Project Company has agreed to subordinate its claims in respect of funds advanced to Mogale to the claims of creditors of that company whose claims arise after the appointment of the judicial managers and from the delay in implementing the scheme of arrangement. This is to ensure for the judicial managers that claims for which they may be responsible are comprised or otherwise dealt with in advance of the Project Company seeking recovery of advances made to Mogale. The indemnity granted by the Project Company has also been secured by the Project Company ceding its claims against Mogale and the judicial managers to the judicial managers until such time as the indemnity has been satisfied.

(e) **Ancillary Agreements**
Other documents include a loan agreement regulating advances made by the Project Company in compliance with the work out arrangements. To date the Project Company has advanced around R 13,500,000 (approximately AUD 2,700,000) to Mogale most of which funds were sourced through Mintails. The work out documents also set the framework for the provision of management services by the Atomaer Group to Mogale with respect to the implementation of planned plant upgrades and the day-to-day operations of the project. The management fee rate is set effectively as a multiple (2.1x) of the salary cost of employees used by Atomaer on the project. Whilst most of the commercial terms of the management arrangements are provided for in the Work Out Agreements, already it is expected that a stand alone management agreement confirming those terms and other details of the arrangements will be entered at or prior to commencement of the recommissioning of the Mogale Gold Project.

7.2 <u>SAEDF Purchase Agreement</u>

This document is dated August 2005 and provides for the Project Company to proceed with the acquisition of all of the remaining issued capital of Mogale held by SAEDF subject to the Proposal being implemented. The SAEDF Purchase Agreement also provides for the transfer and assignment to the Project Company of the SAEDF Loan from SAEDF. This loan was created as a result of funding support historically provided by the SAEDF to Mogale and currently stands at R 63,000,000 (around 12,600,000). The consideration payable under the SAEDF Purchase Agreement is:

(a) AUD 3,500,000 payable through the allotment of 17,500,000 GAM Shares at a deemed issue price of twenty cents ($0.20) each;

(b) The assumption and performance by the Project Company of the obligations of SAEDF under a guarantee by SAEDF to DRDGOLD Limited (formerly known as Durban Roodepoort Deeps, Ltd) ('DRD') up to a value of three million and five hundred thousand Rand (R3,500,000) or approximately AUD700,000; and

(b) A deferred payment of thirty million Rands (R30,000,000) to SAEDF, subject to the Project Company and Mogale first having fully repaid to GAM and any other third party financier all loans for the purposes of the West Rand Gold Project and then payable only when Mogale commences repayment of the SAEDF Loan to the Project Company. The deferred payment will be made progressively to SAEDF on a dollar for dollar basis as and when the SAEDF Loan is repaid by Mogale to the Project Company or GAM. The deferred payment is not expected to commence for at least five (5) years from the acquisition date.

7.3 West Rand Gold Agreement

This agreement was executed in January 2005 to provide for Mintails investment in the Project Company. Through that investment, Mintails acquired its current shareholding in the Project Company. Under the Proposal that shareholding will be sold to GAM through the Mintails Acquisition Agreement.

7. 4 Share Acquisition Agreements

GAM's entitlements to acquire the Project Company are embodied in the Share Acquisition Agreements comprising:

(a) The Atomaer Acquisition Agreement with respect to the acquisition of the Atomaer Groups shareholding in the Project Company; and

(b) The Mintails Acquisition Agreement with respect to the acquisition of the Mintails shareholding in the Project Company.

The Share Acquisition Agreements were executed in September 2005. Both documents are substantially in the same form in all material respects. Completion of the acquisitions is subject to approval by GAM shareholders of the Resolutions outlined in this Memorandum and the completion of the Capital Raisings. GAM will be required to allot the following shares as consideration for the settlement of the Share Acquisition Agreements:

(i) 35,000,000 GAM Shares comprising 17,500,500 GAM Shares to each of the Atomaer Group and Mintails vendors;

(ii) 20,000,000 Performance Shares comprising 10,000,000 Performance Shares to each of the Atomaer Group and Mintails vendors. The Performance Shares have no immediate rights but would become GAM Shares with full rights and entitlements upon the achievement of specified Performance Milestones. For the Performance Milestones to be met, Mogale must:

- Commence mineral processing operations no later than four (4) months after the date on which the Project Company receives funds from GAM from the proceeds of the Capital Raising; and
- Achieve a net profit before tax of at least AUD two million dollars ($2,000,000) for the period from the commencement of mineral processing operations until a date no later than twelve (12) months after that date.

Completion of both Share Acquisition Agreements will procure GAM 100% ownership of the issued shares of the Project Company. If the Performance

Milestones are not achieved by a sunset date eighteen (18) months from the completion of the Capital Raising, the Share Acquisition Agreements provide that they will be deemed to be cancelled.

7.5 Mintails Debt Assignment

As indicated elsewhere is this Memorandum, Mintails has provided substantial funding support to the Project Company since the execution of the West Rand Gold Agreement. The majority of this funding support was provided by way of loan advances that have led to the Project Company owing Mintails amounts of approximately R 10,000,000. As Mintails is selling its shareholding in the Project Company to GAM in accordance with the Proposal, GAM has also required Mintails to assign all right, title and interest in the loans owed by the Project Company to Mintails for a nominal consideration. Accordingly, an assignment and supplemental deed to the West Rand Gold Agreement is to be executed to provide for GAM to acquire Mintails rights in respect of its loan advances to the Project Company and all other rights Mintails holds under the West Rand Gold Agreement.

7.6 Atomaer Technology Licence

As part of the Work Out Agreements, Atomaer agreed that it would enter a technology agreement with Mogale through which Mogale would be provided with a licence to use Atomaer technology for the purposes of operating its business. A formal technology licence agreement is currently being prepared to implement these arrangements and will be executed by the parties prior to the recommissioning of operations at the Mogale Plant.

The Atomaer technology agreement will provide for Atomaer RSA to make available under licence and lease arrangements Atomaer process technology and six Atomaer 450 high shear reactors comprising 2 Atomaer 450 high shear reactors for the pre-conditioning circuit and four Atomaer 450 high shear reactors for the leaching circuit at a total cost of R40,000 (around AUD 8000) per reactor per month. Atomaer is responsible for the costs of servicing, operating, monitoring and maintenance of the reactors and related process technology.

Atomaer has been engaged to manage the operations of the Mogale Gold Plant under the terms of the Work Out and Funding Agreement and subsequent management agreement referred to in section 7.1(e) of this Information Memorandum.

Atomaer has installed and developed a water facility at the Mogale Plant. Atomaer will make available under licence and lease arrangements Atomaer process technology including one Atomaer 550 low shear reactor for the treatment and production of process water at the Mogale Plant at a total cost of R25,000 (around AUD 5000) per month and a management fee of R25,000 (around AUD 5000) per month for the provision of management and technical personnel and related services.

8. THE RESOLUTIONS

The Proposal is conditional upon GAM obtaining Shareholder approval, as required under the *Corporations Act* and the ASX Listing Rules.

To satisfy the requirements of the *Corporations Act* and the ASX Listing Rules, GAM has prepared the resolutions set out in the Notice of General Meeting. Following is an explanation with respect to the respective Resolution.

8.1 Resolution 1: Change of Activities

Resolution 1 is proposed to obtain approval for the change of GAM's activities under the Proposal from an operator and supplier of server-based gaming systems and network interactive gaming services to a gold company engaged in the production of gold from the mining and processing of surface and in-situ resources and related activities. This approval is required by ASX pursuant to ASX Listing Rule 11.1. Details of the proposed gold operations of GAM arising from approval of the Proposal and completion of the Share Acquisition Agreements and the SAEDF Purchase Agreements are set out in this Memorandum, particularly in sections 3 and 4.

The passing of Resolution 1 is a condition of the Proposal.

8.2 Resolution 2: Change of Constitution

Resolution 2 is proposed as a special resolution and provides for the incorporation of changes to the Company's constitution necessary to enable the creation of Performance Shares. The Share Acquisition Agreements provide for the Company to issue Performance Shares as part consideration for completion of those transactions. The amendment proposed will incorporate a new article, in the Company's Constitution. The proposed article is attached as Annexure A to the Notice of Meeting.. The terms of the Performance Shares are designed to ensure that the Vendor receives no dividends, voting rights or other entitlements usually arising through ownership of a share until such time as the Performance Milestones have been achieved. Upon the achievement of the Performance Milestones the Performance Shares automatically convert to ordinary shares and will thereafter rank equally with the Company's existing ordinary shares. However, in the event that Performance Milestones are not met within a period of eighteen months (18) from the date of completion of the Capital Raising then the Performance Shares will be cancelled.

The passing of Resolution 2 is a condition of the Proposal.

8.3 Resolution 3: Approval to issue shares in connection with completion of the Share Acquisition Agreements and the SAEDF Purchase Agreement.

Resolution 3 is proposed to obtain approval for the issue of GAM Shares and Performance Shares as consideration for the acquisitions contemplated by the Share Acquisition Agreements and the SAEDF Purchase Agreement described in Sections 1 and 7. The recipients of shares authorised through this resolution will be the Vendors under the respective Share Acquisition Agreements and the SAEDF or its nominee as Vendor under the SAEDF Purchase Agreement. Having regard to the relevant agreements and proposed nominations of the respective Vendor parties as notified to the Company, the recipients specified in the following table will be issued the respective shares listed therein as consideration for GAM's completion of the Share Acquisition Agreements and the SAEDF Purchase Agreement.

Vendor	Number and class of Shares	Proportion of GAM Shares upon Completion of implementation of the Proposal*
Mintails Pty Ltd	17,500,000 GAM Ordinary Shares 10,000,000 Performance Shares	9.79% 5.60% } 15.39 *
Atomaer Holdings Pty Ltd	17,500,000 GAM Shares 10,000,000 Performance Shares	9.79% 5.60% } 15.39 *
SAEDF	17,500,000 GAM Shares	9.79% *

*Assumes the Capital Raising is fully subscribed, approval for conversion of Convertible Notes is given and all Convertible Note holders elect to convert the Convertible Notes. Also assumes all Performance Milestones are achieved resulting in conversion Performance Shares.

The issue price of GAM Shares and the Performance Shares will be deemed fully paid at twenty cents ($0.20) per share as consideration for the completion of the respective Share Acquisition Agreements and the SAEDF Purchase Agreement. Accordingly, no cash funds will be raised by GAM as a result of the issue of shares the subject of this resolution. The GAM Shares to be issued in accordance with this resolution will be ordinary shares (deemed fully paid) ranking equally with GAM's existing ordinary shares. The Performance Shares will be subject to the terms and conditions as outlined in section 7.4 which shall attach to such shares as provided for in the amendments to the Company's constitution contemplated by resolution 2 above.

The GAM Shares and Performance Shares the subject of Resolution 3 will be issued upon completion of the respective agreements but in any event not later than three months (3) after the date of the Meeting.

Under ASX Listing Rule 7.1 an entity must not issue or agree to issue more than fifteen percent (15%) of its capital without the approval of its shareholders. By obtaining Shareholder approval, for the issue of the shares the subject of Resolution 3, GAM retains the ability to issue up to fifteen percent (15%) of its capital to take advantage of future capital raising opportunities which may arise.

The passing of Resolution 3 is a condition of the Proposal.

8.4 Resolution 4: Proposed Capital Raising

Resolution 4 is proposed to obtain authority for the proposed Capital Raising by the issue of up to sixty million (60,000,000) GAM Shares to raise up to twelve million dollars ($12,000,000) before costs. The shares will be issued pursuant to a prospectus. Aside from the ability of directors to participate in the Capital Raising if Resolution 5 is passed, the shares will be offered to the public. It is a condition of the Proposal that Shareholder approval for the Capital Raising be received.

Chapter 7 of the ASX Listing Rules requires the prior approval of shareholders in general meeting to issue securities if the number of those securities exceeds fifteen percent (15%) of the number of the same class of securities at the commencement of the relevant twelve (12) month period. The proposed allotment of shares under the Capital Raising involves an increase in the issued capital of GAM. As such, authority for that increase is required in order to comply with the provisions of Chapter 7 of the ASX Listing Rules. Also, by obtaining shareholder approval for the Capital Raising, GAM retains the ability to issue further shares or options up to fifteen percent (15%) of its ordinary shares under Chapter 7 to take advantage of opportunities to obtain further funds if required and available in the future.

The GAM Shares the subject of the Capital Raising will be ordinary shares (deemed fully paid) issued for twenty cents ($0.20), each ranking equally with GAM's existing ordinary shares.

The GAM Shares the subject of Resolution 4 shall be issued by the day no later than three (3) months after the date of the Meeting. Shares that may be issued to directors or their associates and/or respective nominees if Resolution 5 is passed (see below) will be issued on a day within one month of the date of the Meeting.

Funds raised by the Capital Raising will be used as working capital, particularly in connection with the implementation of the Proposal and to pay the costs of the Capital Raising.

It is proposed that directors of GAM and/or their associates or nominees be authorised to participate in the Capital Raising and Resolution 5 (described below) is proposed for that purpose.

The passing of Resolution 4 is a condition of the Proposal.

8.5 Resolution 5: Participation by Directors in Capital Raising

Resolution 5 is proposed to obtain approval for the directors and/or their associates named below (or their nominees) to be authorised to participate in the Capital Raising described in Section 8.4 of this Memorandum.

Chapter 10 of the ASX Listing Rules provides that a Company may not issue shares to a director without the approval of holders of ordinary shares. If approval of ordinary shareholders is given under Chapter 10 (by passing Resolution 5), further approval is not required under ASX Listing Rule 7.1.

The following directors and/or director's associates of GAM have indicated that they are prepared to take up offers under the Capital Raising (either themselves or by their nominees) at the same price as GAM Shares are offered to other eligible participants for up to 1,750,000 at an issue price of twenty cents ($0.20) each (i.e. a maximum subscription of $350,000).

	Shares	Amount
• Bryan J Frost or nominee	1,000,000	$200,000
• Richard Revelins or nominee	500,000	$100,000
• Jeremy J Cooper or nominee	250,000	$ 50,000
Total	1,750,000	$350,000

The GAM Shares the subject of Resolution 5 are included in the GAM Shares that are the subject of Resolution 4, and are not additional shares. The terms and conditions of these shares are as set out in the information provided in respect of Resolution 4. The proposed use of funds by the issue of shares will be the same as for the other funds received under the Capital Raising described above in respect of Resolution 4, i.e. for working capital, particularly in connection with implementation of the Proposal, and to pay the costs of the placement.

The GAM Shares the subject of Resolution 5 shall be issued by the day no later than one month after the date of the meeting or such later time as may be allowed by ASX.

Resolution 5 relates to, but is not a condition, of the Proposal.

8.6 <u>Resolution 6: Conversion of Convertible Notes</u>

Resolution 6 is proposed to obtain authorisation for the issue of GAM Shares to enable the conversion of the Convertible Notes referred to in Section 4.4 of this Memorandum. Under the terms upon which the Convertible Notes were issued, the investors agreed that they could not exercise any conversion rights until shareholders of the Company gave approval pursuant to the ASX Listing Rules for shares to be issued upon the conversion of the convertible notes. The Convertible Notes have an expiry date of ninety (90) days from the date of the general meeting at which shareholders provide the approval being sought under Resolution 6. Upon approval being provided it is anticipated that conversion notices with respect to all the Convertible Notes will be received prior to the expiry date. Having regard to the identity of the holders of the Convertible Notes the recipients specified in the following table will be issued with GAM Shares upon provision of valid conversion notes.

Note holder	Number of GAM Shares on conversion	Proportion of GAM Shares upon Completion of Implementation of the Proposal. **
Michael Frayne	400,000	0.2%
Troca Enterprises Pty Ltd	400,000	0.2%
Inswinger Holdings Pty Ltd	400,000	0.2%
Nomet Pty Ltd <Wayne Dodd a/c>	200,000	0.1%
Sassey Pty Ltd <Avago Superannuation Acc>	500,000	0.3%
Malcolm Raymond James	300,000	0.2%
Bayonet Investments Pty Ltd <Super Fund No 1 a/c>	2,000,000	1.1%
Flue Holdings Pty Ltd	2,000,000	1.1%
Adam Stuart Davey	400,000	0.2%
Glenella Pty Ltd <Beh Fund>	300,000	0.2%
Foster West Securities Pty Ltd <Spartacus a/c>	200,000	0.1%
Alemana Investments Limited	600,000	0.3%
Michael William Atkins	100,000	0.1%
Rohan Charles Edmondson	400,000	0.2%
Oceanview WA Pty Ltd	2,000,000	1.1%
Europa Investment Services Ltd	400,000	0.2%
Chifley Portfolios Pty Ltd – DR Retirement Fund	2,000,000	1.1%
Noble Eagle Holdings Pty Ltd	500,000	0.3%
Stanhope Accounting Services Pty Ltd	400,000	0.2%
Rodean Investments Pty Ltd	1,700,000	1.0%
Ronay Investments Pty Ltd	1,000,000	0.6%
Kirke Securities Limited	200,000	0.1%
Pritdown Pty Ltd	200,000	0.1%
Weasel Securities Pty Ltd	200,000	0.1%
Darontack Pty Ltd *	400,000	0.2%
Queensland MM Pty Ltd *	1,000,000	0.6%
Bynja Pty Ltd	400,000	0.2%
Farcam Pty Ltd *	1,400,000	0.8%
Total	20,000,000	11.3%

*This allotment is conditional upon Resolution 7 being passed.

**Assumes the Capital Raising is fully subscribed

The issue price of the GAM Shares will be five cents ($0.05) per share in accordance with the terms of the Convertible Notes. Subscription funds have already been received through the issue of the Convertible Notes. The GAM Shares will be ordinary shares (deemed fully paid) and will rank equally with GAM's existing ordinary shares.

The GAM Shares the subject of Resolution 6 will be issued upon receipt of valid conversion notices from the relevant noteholder(s), but in any event will be issued no later than ninety (90) days after the Meeting. Shares that may be issued to directors or their associates and/or respective nominees if Resolution 7 is passed (see below) will be issued on a day within one month of the date of the Meeting.

Under ASX Listing Rule 7.1, an entity must not issue, or agree to issue, more than fifteen percent (15%) of its capital without the approval of its shareholders. By obtaining approval of the issue of the GAM shares the subject of Resolution 6, GAM retains the ability to issue up to fifteen percent (15%) of its capital to take advantage of future capital raising opportunities.

The funds raised through the issue of the GAM Shares on conversion of Convertible Notes will act to extinguish the Companies redemption obligations under the terms of the Convertible Notes.

The passing of Resolution 6 is a condition of the Proposal.

8.7 Resolution 7: Participation by Director Related Entities in conversion of Convertible Notes

Resolution 7 has been proposed to obtain approval for participation in the conversion of the Convertible Notes by various director-related entities (named below) as noteholders. Chapter 10 of the ASX Listing Rules provides that a company may not allot shares to a director or director-related entity without approval of holders of ordinary shares.

Specific entities related to directors (listed below) are currently holders of Convertible Notes and have indicated an intention to convert those Convertible Notes to GAM Shares subject to the procurement of the requisite approvals. These director-related entities would be converting their Convertible Notes to GAM Shares on the same terms as all other noteholders.

The relevant director related entities that would be eligible to exercise conversion rights upon passing of the resolution are:

		Shares
• Darontack Pty Ltd	(1)	400,000
• Queensland MM Pty Ltd	(2)	1,000,000
• Farcam Pty Ltd	(3)	1,400,000

Notes

(1) A company controlled by interests associated by Richard Revelins

(2) A company controlled by interests associated with Bryan Frost

(3) A company controlled by interests associated with Bryan Frost and Richard Revelins

The GAM Shares the subject of Resolution 7 are included in the GAM Shares that are subject of Resolution 6 and are therefore not additional shares. The terms and conditions of these shares are as set out in the information provided in respect of Resolution 6.

The GAM Shares the subject of Resolution 7 shall be issued by a date not later than one month after the date of the Meeting, or such later time as may be allowed by ASX.

The passing of Resolution 7 is a condition of the Proposal.

8.8 Resolution 8: Change of Name to "Mintails Limited"

The directors consider it appropriate for GAM to change its name to "Mintails Limited" to reflect the acquisition of Mintails and taking over the Project Company's interest in the West Rand Gold Project. Resolution 8 is proposed as a special resolution in accordance with the requirements of the Corporations Act.

Resolution 8 relates to, but is not a condition, of the Proposal.

9. CAPITAL STRUCTURE

The following table illustrates the existing and proposed changes to the Company's capital structure as provided for in the Proposal.

ISSUED CAPITAL		
Number of Securities		$
26,189,985	Existing Fully Paid Ordinary Shares	14,962,919
72,500,000	Fully Paid Shares proposed to be issued pursuant to Resolution 3 (as payment under the Share Acquisition Agreement)	14,500,000
60,000,000	Maximum Number of Fully Paid Shares to be issued pursuant to Resolution 4 (assuming the Capital Raising is fully subscribed)	12,000,000
20,000,000	Fully Paid Shares to be issued pursuant to Resolution 6	950,000
178,689,985	Total Ordinary Shares	41,962,919
Options		
Number of Securities		$
25,490,431	Existing Listed Options	Nil
Nil	Existing Unlisted Option	Nil
Nil	New Options	Nil
25,490,431	Total Options	Nil

The following illustrates the effect of implementation of the Proposal on the Company's balance sheet.

Financial Position	**Pro-forma 30/06/2005**		**Adjustments**	**Pro-forma Restated**
Current Assets				
Cash	137,598	(1)	12,230,000	12,367,598
Receivables	81,363		-	81,363
Other Financial Assets	398,804		-	398,804
Other	159,300		-	159,300
Total Current Assets	777,065		12,230,000	13,007,065
Non-Current Assets				
Plant & equipment	21,970			21,970
Other Assets		(2)	25,390,000	25,390,000
Total Non-Current Assets	21,970		25,390,000	25,411,970
Total Assets	**799,035**		**37,620,000**	**38,419,035**
Current Liabilities				
Payables	39,048	(3)	2,520,000	2,559,048
Total Current Liabilities	39,048		2,520,000	2,559,048
Non-Current Liabilities				
SAEDF Guarantee	-	(4)	700,000	700,000
SAEDF Loan	-	(5)	6,000,000	6,000,000
DRD Rehabilitation Commitment	-	(6)	1,670,000	1,670,000
Total Non-Current Liabilities	-		8,370,000	8,370,000
Total Liabilities	39,048		10,890,000	10,929,048
Net Assets	**759,987**		**26,730,000**	**27,489,987**
Equity				
Contributed equity	15,089,848		26,730,000	41,819,848
Reserves	(22,640)			(22,640)
Accumulated losses	(14,307,221)			(14,307,221)
Total Equity	**759,987**		**26,730,000**	**27,489,987**

Adjustments

1) Cash: $12,230,000

- Convertible note $1,000,000 less 5% brokerage fee = $950,000
- Placement issue 60,000,000 shares @ 20 cents each = $12,000,000 (less 6% brokerage) = 11,280,000

2) Other Assets: $25,390,000

Other Assets comprise the vendor consideration paid and debts assumed by GAM to acquire the project.

Vendor Consideration

• 17.5m shares @ 20 cents to SAEDF for 49% interest in Mogale	3,500,000
• 17.5m shares @ 20 cents to Atomaer for the acquisition of Atomaer's interest in Bold 'n New	3,500,000
• 17.5m shares @ 20 cents to Mintails shareholders for the acquisition of Mintails interest in Bold 'n New and assumption of loan receivables	3,500,000
• 10.0m Performance Shares @ 20 cents to Atomaer (subject to achievement of performance milestones)	2,000,000
• 10.0m Performance Shares @ 20 cents to Mintails shareholders (subject to achievement of performance milestones)	2,000,000
	14,500,000
Debt Assumption	
Payable (refer note 3)	2,520,000
SAEDF Guarantee (refer note 4)	700,000
SAEDF Loan (refer note 5)	6,000,000
DRD Rehabilitation Commitment (refer note 6)	1,670,000
	10,890,000
Total Vendor Consideration & Debt Assumption	25,390,000

3) Payables: $2,520,000

Repayment of current liabilities

- Judicial Management costs	$2,000,000
- Loan from Atomaer Holdings	$ 400,000
- Loan from AMN Nominees	$ 120,000
	$2,520,000

4) SAEDF Guarantee: $700,000

Assumption of guarantee provided by SAEDF to DRD Gold Limited to the value of R3,500,000 ($700,000).

5) SAEDF Loan: $6,000,000

A deferred payment of R30 million ($6,000,000) to SAEDF subject to the Project Company and Mogale first having fully repaid to GAM and any other third party financier all loans for the purposes of the West Rand Gold Project and then only when Mogale commences repayment of the SAEDF Loan to the Project Company (not expected to commence for at least 5 years from the acquisition date).

6) DRD Rehabilitation Commitment: 1,670,000

Outstanding commitment from Mogale to DRD related to original purchase R8,300,000 ($1,670,000) ("DRD Debt"). Mogale has until June 2007 to repay this amount and also has the right to reduce DRD Debt by R0.42 for every tonne of by-product from the Mogale plant deposited in the adjacent open pits for which DRD has environmental and rehabilitation liabilities.

Notes:

a) Performance shares contained in (3) above do not vest until performance criteria met as described in Memorandum

b) Assumes placement of 60,000,000 shares @ 20 cents each fully subscribed.

c) Accounts prepared on pro-forma basis as at 30 June 2005. No allowance for expenditures incurred since 30 June 2005.

d) Convertible Note proposed to convert in 20,000,000 new ordinary shares as described in Memorandum, subject to shareholder approval.

Action to be taken

Shareholders are requested to either attend personally at the forthcoming meeting at Suite 2, 1233 High Street, Armadale or otherwise to forward their proxy form duly completed to be received at the registered Victoria office of the Company at Suite 2, 1233 High Street, Armadale, Victoria, 3143, Australia (or by facsimile to +61 3 9824 8161) at least 48 hours before the time for the holding of the meeting.

10. GLOSSARY

"Amendment and Restatement Agreement" means the agreement described in Section 7.1 of this Memorandum providing for the rescheduling of the timetable for implementation of the Proposal.

"ASX" means the Australian Stock Exchange Ltd.

"ASX Listing Rules" means the listing rules of the ASX from time to time.

"Atomaer" means Atomaer Holdings Pty Ltd ACN 009 459 027 of Level 10, 256 Adelaide Terrace, Perth in the State of Western Australia, Australia.

"Atomaer Acquisition Agreement" means the agreement described in Section 7.4 of this Memorandum through which the Company intends to acquire Atomaer's interest in the Project Company.

"Atomaer Group" means Atomaer and its subsidiary companies.

"Atomaer RSA" means Atomaer (RSA) Proprietary Limited (Registration Number 196/011048/10) of 55 Loper Avenue, Spartan, Extension 2, Isando, Republic of South Africa.

"AUD" means dollars in Australian currency.

"BEE" means Black Economic Empowerment, being a policy of the Government of South Africa implemented through enactment of the Mineral and Petroleum Resources Development Act of South Africa which requires participation by black groups in the ownership and management of mining assets as described in Section 3.1 of the Memorandum.

"Capital Raising" means the capital raising proposed by the Company to raise twelve million dollars (AUD12,000,000.00) through the issuing of up to sixty million (60,000,000) ordinary shares at a price of twenty cents (AUD0.20) each.

"CIL" means carbon in leach, being a process technology for mineral extraction.

"Company" or **"GAM"** means Gaming and Entertainment Group Limited ACN 008 740 672 of Suite 2, 1233 High Street, Armadale in the State of Victoria, Australia.

"Convertible Notes" means convertible notes issued by the Company for a total of one million dollars (AUD1,000,000.00) which are more particularly described in Section 4.4 of this Memorandum.

the **"Court"** means the High Court of South Africa.

"Directors" means the directors of GAM from time to time.

"DRD" means DRD Gold Limited, formerly known as Durban Roodepoort Deeps Limited, of South Africa.

"DRD Debt" means a debt currently owed by Mogale to DRD of eight million three hundred thousand rand (R8,300,000) as described in Section 4.2 of this Memorandum.

"GAM" means means Gaming and Entertainment Group Limited ACN 008 740 672 of Suite 2, 1233 High Street, Armadale in the State of Victoria, Australia.

"GAM Shares" means ordinary shares in the capital of GAM.

"General Meeting" or **"Meeting"** means the meeting of shareholders of the Company called to consider resolutions relevant to implementation of the Proposal described in this Memorandum.

"Member" means a member of the Company from time to time.

"Memorandum" means this information memorandum concerning the Proposal.

"Mintails" means Mintails Pty Ltd ACN 111 001 042, a company duly incorporated in Victoria, Australia under the Corporations Act.

"Mintails Acquisition Agreement" means the agreement to acquire all the issued capital of Mintails, which company holds sixty percent (60%) of the issued capital of the Project Company.

"Mogale" means Mogale Gold (Pty) Ltd, a company incorporated under the Companies Act of the Republic of South Africa.

"Mogale Gold Project" means the gold tailings recovery project operated by Mogale in the Witwatersrand region of the Republic of South Africa.

"Mogale Plant" means a carbon in leach mineral processing plant owned by Mogale and situated in West Witwatersrand region of the Republic of South Africa.

"Performance Milestones" means the milestones upon which Performance Shares will convert to GAM Shares which are described in Section 1.1 of this Memorandum.

"Performance Shares" means B Class shares of the Company to be created in accordance with the proposed Resolution 2 in the Notice of General Meeting.

"Preliminary Mogale Gold Agreement" means the document more particularly described in Section 7.1 of this Memorandum.

"Project Company" means Bold 'n New Investments 45 (Pty) Ltd (Registration Number 2004/007547/07) of 55 Loper Avenue, Spartan, Extension 2, Isando, Republic of South Africa.

"Project Company Advance" means the twenty-five million rand (R25,000,000) funding obligations of Mintails made in favour of the Project Company under the terms of the West Rand Gold Agreement.

"Proposal" means the proposal to acquire a controlling interest in the West Rand Gold Project as described in this Memorandum.

"Rand(s)" or **"R"** means the lawful currency of the Republic of South Africa.

"Resolutions" means the resolutions put forward in the Company's Notice of General Meeting which is attached to and forms part of this Memorandum.

"SAEDF" means the South African Export Development Fund.

"SAEDF Loan" means the loan of sixty-three million rand (R63,000,000) owed by Mogale to SAEDF described in Section 2 of this Memorandum.

"SAEDF Purchase Agreement" means the agreement through which it is proposed the Project Company will acquire all of SAEDF's interest in Mogale, as described in Sections 1 and 7.2 of this Memorandum.

"Share Acquisition Agreements" means the Mintails Acquisition Agreement and the Atomaer Acquisition Agreement.

"Shareholders" means the shareholders of the Company from time to time.

"West Rand Gold Agreement" means the agreement described in Section 7.3 of this Memorandum.

"West Rand Gold Project" means the Mogale Gold Project and other rights to acquire gold assets to establish regional gold operations in the West Rand goldfield as proposed by Mogale.

"West Wits" means West Witwatersrand Gold Mines Limited, being a subsidiary company of DRD.

"West Wits Plant Enterprise Sale Agreement" means the agreement through which Mogale acquired its interest in the Mogale Plant from West Wits.

"Work Out Agreements" means the agreements described in Section 7.1 of this Memorandum.

"Work Out and Funding Agreement" means the agreement described in Section 7.1(b) of this Memorandum.

The information in this Information Memorandum at Sections 3.4 and 3.7 that relates to Exploration Results, Minerals Resources or Ore Reserves, as those terms are as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve", is based on information compiled by Mr G M Greenway, who is a member of the South African Institute of Mining and Metallurgy being a Recognised Overseas Professional Organisation included in a list promulgated by ASX from time to time. Mr Greenway is a Principal Consultant of Snowden Mining Industry Consultants Pty Ltd Reg No: 1998/023556/07. Mr Greenway has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which each is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve". Mr Greenway consents to the inclusion in this Information Memorandum of the matters based on his information in the form and context in which it appears.

GAMING AND ENTERTAINMENT GROUP LIMITED
ACN 008 740 672

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Gaming and Entertainment Group Limited [ACN 008 740 672] ("the Company") will be held at the registered office of the Company at Suite 2, 1233 High Street, Armadale, Victoria, 3143 on 26 October 2005 at 10:00 am.

PROPOSED RESOLUTIONS

Resolution 1: Change of Activities

To consider and, if thought fit, pass the following as an ordinary resolution:

> "THAT, subject to Resolutions 2, 3, 4, 6 and 7 being passed (with or without amendment), Members approve changing the activities of the Company from an operator and supplier of server based gaming systems and network interactive gaming services to a processor of mineral tailings and related activities which would encompass the activities described in the Information Memorandum which accompanied and formed part of the Notice of Meeting."
>
> ***Voting Exclusion Statement:***
>
> *The Company will disregard any votes cast on Resolution 1 by:*
>
> - *persons who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed; and*
> - *an associate of those persons.*
>
> *However, the Company need not disregard a vote on Resolution 1 if:*
>
> - *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
> - *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Resolution 2: Change of Constitution

If Resolution 1 is passed (with or without amendment) to consider and, if thought fit, pass the following as special resolution:

> "THAT the Constitution of the Company be amended by the insertion of Article 3A as set out in Appendix A to the Notice of Meeting".

Resolution 3: Approval to Issue Shares in connection with completion of the Share Acquisition Agreements and the SAEDF Purchase Agreement

If Resolutions 1 and 2 are passed (with or without amendment) to consider and, if thought fit, pass the following as an ordinary resolution:

> "THAT, subject to Resolutions 4, 6 and 7 being passed (with or without amendment), Members approve the issue of the following ordinary shares and Performance Shares as set out in the table below at a deemed issue price of twenty cents ($0.20) per share as consideration for the acquisitions contemplated by the Share Acquisition Agreements and the SAEDF Purchase Agreement all as described in the Information Memorandum which accompanied and formed part of the Notice of Meeting:

Recipient	***Number of Ordinary Shares***	***Number of Performance Shares***
Mintails Pty Ltd	17,500,000	10,000,000
Atomaer Holdings Pty Ltd	17,500,000	10,000,000
South African Export Development Fund	17,500,000	Nil
TOTAL	**52,500,000**	**20,000,000**

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 3 by:

- *persons who may participate in the proposed issue and persons who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed; or*
- *an associate of those persons.*

However, the Company need not disregard a vote on Resolution 3 if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Resolution 4: Proposed Capital Raising

If Resolutions 1, 2 and 3 are passed (with or without amendment) to consider and, if thought fit, pass the following as an ordinary resolution:

"THAT, subject to Resolutions 6 and 7 being passed (with or without amendment), Members approve the issue of up to sixty million (60,000,000) ordinary shares in the capital of the Company (deemed fully paid) at an issue price of twenty cents ($0.20) per share pursuant to the Capital Raising described in the Information Memorandum which accompanied and formed part of the Notice of Meeting."

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 4 by:

- *persons who may participate in the proposed issue and persons who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed; and*
- *an associate of those persons.*

However, the Company need not disregard a vote on Resolution 4 if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Resolution 5: Participation by Directors in Capital Raising

If Resolution 4 is passed (with or without amendment), to consider and, if thought fit, pass the following resolution as an ordinary resolution:

"THAT, subject to Resolutions 6 and 7 being passed (with or without amendment), Members authorise participation by the current directors of the Company named in the Information Memorandum which accompanied and formed part of the Notice of Meeting (and/or their associates or nominees) in the proposed Capital Raising approved under Resolution 4 by applying for and receiving ordinary shares in the Company as set out in the table below:

	Shares	**Amount**
Bryan J Frost or nominee	1,000,000	$200,000
Richard Revelins or nominee	500,000	$100,000
Jeremy J Cooper or nominee	250,000	$ 50,000
TOTAL:	**1,750,000**	**$350,000**

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 5 by:

- *persons who are to receive securities in relation to the Company; or*
- *an associate of those persons.*

However, the Company need not disregard a vote on Resolution 5 if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Resolution 6: Conversion of Convertible Notes

If Resolutions 1, 2, 3 and 4 are passed (with or without amendment) to consider and, if thought fit, pass the following as an ordinary resolution:

"THAT, subject to Resolution 7 being passed (with or without amendment), Members approve the issue of up to twenty million (20,000,000) ordinary shares in the capital of the Company upon conversion of one million (1,000,000) Convertible Notes set out in the table below, as described in the Information Memorandum which accompanied and formed part of the Notice of Meeting:

Note holder	Number of GAM Shares on conversion
Michael Frayne	400,000
Troca Enterprises Pty Ltd	400,000
Inswinger Holdings Pty Ltd	400,000
Nomet Pty Ltd <Wayne Dodd a/c>	200,000
Sassey Pty Ltd <Avago Superannuation Acc>	500,000
Malcolm Raymond James	300,000
Bayonet Investments Pty Ltd <Super Fund No 1 a/c>	2,000,000
Flue Holdings Pty Ltd	2,000,000
Adam Stuart Davey	400,000
Glenella Pty Ltd <Beh Fund>	300,000
Foster West Securities Pty Ltd <Spartacus a/c>	200,000
Alemana Investments Limited	600,000
Michael William Atkins	100,000
Rohan Charles Edmondson	400,000
Oceanview WA Pty Ltd	2,000,000
Europa Investment Services Ltd	400,000
Chifley Portfolios Pty Ltd – DR Retirement Fund	2,000,000
Noble Eagle Holdings Pty Ltd	500,000
Stanhope Accounting Services Pty Ltd	400,000
Rodean Investments Pty Ltd	1,700,000
Ronay Investments Pty Ltd	1,000,000
Kirke Securities Limited	200,000
Pritdown Pty Ltd	200,000
Weasel Securities Pty Ltd	200,000
Darontack Pty Ltd *	400,000
Queensland MM Pty Ltd *	1,000,000
Bynja Pty Ltd	400,000
Farcam Pty Ltd *	1,400,000
Total	**20,000,000**

*This allotment is conditional upon Resolution 7 being passed.

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 6 by:

- *persons who may participate in the proposed issue and persons who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed; or*
- *an associate of those persons.*

However, the Company need not disregard a vote on Resolution 6 if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Resolution 7: Participation by Director Related Entities in conversion of Convertible Notes

If Resolution 6 is passed (with or without amendment) to consider and, if thought fit, pass the following as an ordinary resolution:

"THAT the Members authorise participation by the persons named below (being current directors of the Company and/or their associates or nominees) in the issue of ordinary shares in the capital of the Company upon conversion of Convertible Notes as set out in the table below, as described in the Information Memorandum which accompanied and formed part of the Notice of Meeting:

		Shares
Darontack Pty Ltd	(1)	400,000
QMM	(2)	1,000,000
Farcam	(3)	1,4000,000

Notes

(1) A company controlled by interests associated by Richard Revelins

(2) A company controlled by interests associated with Bryan Frost

(3) A company controlled by interests associated with Bryan Frost and Richard Revelins

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 7 by:

- *persons who are to receive securities in relation to the Company; or*
- *an associate of those persons.*

However, the Company need not disregard a vote on Resolution 7 if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Resolution 8: Change of Name to "Mintails Holdings Limited"

If Resolutions 1, 2, 3 4, 6 and 7 are passed (with or without amendment) to consider and, if thought fit, to pass the following as a special resolution:

"THAT the name of the Company be changed to Mintails Limited".

Dated: 21 September 2005

PHILLIP HAINS
Company Secretary

By the order of the Board

The accompanying Information Memorandum and the Proxy and Voting Instructions form part of this Notice of Meeting.

PROXY AND VOTING INSTRUCTIONS

Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

(a) one proxy if the member is only entitled to one vote; and

(b) one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at or sent by facsimile transmission to the registered office of the Company at Suite 2, 1233 High Street, Armadale, 3143 or facsimile (03) 9824 8161 not less than 48 hours before the time for holding the Meeting (i.e. by 10:00 am on 24 October 2005), or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

The Chairman intends voting undirected proxies in favour of all resolutions other than Resolution 3. The Chairman does not intend to cast a vote in respect of undirected proxies on Resolution 3.

Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 5:00pm, 24 October 2005 are entitled to attend and vote at the meeting.

On a poll, Members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

Special Resolutions

Resolutions 2 and 8 are proposed as Special Resolutions. To be passed, at least 75% of the votes cast on the resolution by shareholders (by number of shares) must be in favour of the respective Resolution.

GAMING AND ENTERTAINMENT GROUP LIMITED
ACN 008 740 672

NOTICE OF GENERAL MEETING

APPENDIX A

Amendment of Constitution

[Resolution 2]

The Constitution of the Company is amended by inserting:

A. the words "B Class Shares" in Article 3 on a new line immediately after the first occurrence of the words "Ordinary Shares"; and

B. a new Article 3.2A immediately after Article 3.2 as follows:.

"3.2A Without limiting anything in the preceding Article 3.2 or elsewhere in this Constitution, the Directors may allot and issue B Class Shares which shall be non-voting converting redeemable shares having and subject to the following special terms:

3.2A.1 The Directors shall specify as a condition of the allotment and issue of B Class Shares:

(a) an event or events and/or a condition or conditions ("Milestone(s)"), the occurrence or fulfilment of which (or, if comprised of more than one event and/or condition, the occurrence or fulfilment of the last of which) will result in the B Class Shares automatically converting to Ordinary Shares pursuant to this Article; and

(b) the day upon which if the Milestone(s) have not occurred or been fulfilled (as the case may be) ("the Sunset Date") the B Class Shares shall cease to be capable of conversion to an Ordinary Share and shall be subject to redemption by the Company as provided for below.

For the avoidance of doubt, an event or condition may be that a thing not happen, and the occurrence of an event or fulfilment of a condition may include a thing not happening;

3.2A.2 A B Class Share shall automatically convert to an Ordinary Share (ranking equally with and having the same terms and rights as the Company's other Ordinary Shares at the time of conversion) if the Milestone(s) specified in the conditions of allotment and issue of that B Class Share occur and/or are fulfilled (as the case may be) before the Sunset Date specified in the conditions of allotment and issue of that B Class Share;

3.2A.3 If the Milestone(s) specified in the conditions of allotment or issue of a B Class Share is (or, if the case requires, are) not achieved and/or fulfilled by the Sunset Date specified in the conditions of allotment and issue of that B Class Share, that B Class Share shall cease to be capable of conversion to an Ordinary Share and shall be subject to cancellation by redemption by the Company by the payment to the holder of one dollar ($1.00) for every one million (1,000,000) (or part thereof) B Class Shares held by the holder. By acceptance of a B Class Share the holder shall be deemed to have agreed to cancellation by redemption of the B Class Shares pursuant to this Article as a condition of the allotment and issue of the B

Class Share. Dispatch of payment (whether by ordinary cheque or otherwise) of the applicable amount to the holder shall be sufficient evidence of payment being made by the Company, whether or not actually received or accepted by the holder;

3.2A.4 Holders of B Class Shares shall have the same rights to receive notices, reports and audited accounts from the Company as holders of Ordinary Shares, and to attend but (prior to conversion) not speak or vote at General Meetings of the Company;

3.2A.5 Prior to conversion, B Class Shares carry no rights to receive dividends, distributions or any return of capital (unless and until converted to Ordinary Shares pursuant to this Article), and do not entitle the holder to any priority over holders of Ordinary Shares.

3.2A.6 Any certificate evidencing B Class Shares shall include an endorsement that the B Class Shares are subject to special terms of issue which include Milestone(s) and a Sunset Date by which the Milestones are to occur or be fulfilled before the B Class Shares convert to Ordinary Shares, and failing the occurrence or fulfilment of which the B Class Shares shall be subject to redemption and cancellation, and that it is the responsibility of any person receiving the certificate to make its own enquiries about the status of the B Class Shares;

3.2A.7 Conversion of a B Class Share to an Ordinary Share shall occur automatically without requiring any action by the Company or holder and does not constitute a disposal of, cancellation, redemption or termination of the share or allotment, issue or creation of a new share; and

3.2A.8 The terms of B Class Shares shall otherwise be the same as Ordinary Shares.

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

MinTails
LIMITED