APPENDIX E

This document is Appendix E to the Explanatory Statement which is included in Gleneagle Gold Limited's Notice of General Meeting to be held at The Celtic Club, 48 Ord Street, West Perth, WA 6005 on 18 March 2009 at 9.30am.

Independent Expert's Report

Gleneagle Gold Limited

in relation to the acquisition of up to 70% of the Waterberg Coalfield Project

HLB Mann Judd Corporate (WA) Pty Ltd
ACN 008 878 555
Licensed Investment Adviser

0812 NGN011 REP

22 January 2009

The Directors
Gleneagle Gold Limited
Level 1
34 Bagot Road
SUBIACO WA 6008

Dear Sirs

INDEPENDENT EXPERT'S REPORT

1. INTRODUCTION

The directors of Gleneagle Gold Limited ("Gleneagle" or the "Company") have engaged HLB Mann Judd Corporate (WA) Pty Ltd ("HLB") to prepare an Independent Expert's Report ("the Report") in relation to the acquisition of up to 70% of the Waterberg Coalfield project via the issue of shares and options pursuant to sale agreements between Namane Resources (Pty) Limited ("Namane"), Gleneagle, Manupont 243 (Pty) Limited and Temo Coal Mining (Pty) Ltd hereafter referred to as the Acquisition and to conclude as to whether the terms of the Acquisition are fair and reasonable to the non-associated shareholders of Gleneagle, for the purposes of Section 611, item 7 of the Corporations Act 2001.

The Acquisition is further described in Section 4 of this Report. Details of the Acquisition are also set out in the Explanatory Memorandum accompanying the Notice of Meeting of Gleneagle dated on or about 22 January 2009.

We understand that the Acquisition is subject to shareholder approval and that this Report will accompany the Notice of Meeting and Explanatory Memorandum.

The report has been divided into the following sections:

1. Introduction
2. Purpose of the report
3. Summary of opinion
4. Acquisition
5. Implications of the Acquisition to Gleneagle Gold Limited
6. Corporate History and Nature of Businesses
7. Future Directions of Gleneagle Gold Limited

2. *PURPOSE OF THE REPORT*

HLB has been engaged by the directors of the Company to prepare this Independent Expert's Report to accompany a Notice of General Meeting and Explanatory Memorandum to be sent to Shareholders in connection with the Acquisition.

Our report has been prepared solely for the purpose of assisting the non-associated shareholders of Gleneagle in considering the Acquisition, details of which are included in the Explanatory Memorandum and summarised in Section 4 of this report.

Section 606 of the Corporations Act 2001 ("Act") prohibits the acquisition of an interest in a public company with more than 50 members if the transaction increases that person's interest from 20% or below to more than 20%. An exception to this general prohibition is set out in Section 611(7), whereby such an acquisition is allowed when approved by a majority of shareholders at a general meeting and where no votes are cast in respect of shares held by the acquirer or its associates.

Currently, the collective shareholders of the Waterberg Coalfield Projects (hereafter referred to as the Vendors) hold no shares in the issued capital of Gleneagle. Should the Acquisition be approved, together with other resolutions to be put before shareholders, certain of the Vendors (Namane) will have the ability to hold up to a maximum of approximately 67.5% in certain circumstances.

Regulatory Guide 111 issued by the Australian Securities and Investments Commission ("ASIC") suggests that the obligation to supply shareholders with all information that is material to the decision on how to vote on the resolution can be satisfied by the commissioning of an Independent Expert's Report. The directors of Gleneagle have commissioned our Report to satisfy this obligation.

In the context of a Section 611(7) resolution, the independent expert should state whether a proposal is fair and reasonable to the non-associated shareholders and the opinion should be formed after considering all the circumstances of a proposal. The independent expert must compare the likely advantages and disadvantages for the non-associated shareholders if a proposal is agreed to, with the advantages and disadvantages to those shareholders if it is not.

This report has not been prepared to provide information to any parties considering the purchase or sale of Gleneagle securities. Accordingly, we do not assume any responsibility or liability from the use of this report contrary to the provisions of this paragraph.

This report is to be included with the Notice of General Meeting and Explanatory Memorandum to assist the Company's non-associated shareholders in their consideration of the Acquisition.

3. *SUMMARY OF OPINION*

In the opinion of HLB, the Acquisition is **fair and reasonable** to the non-associated shareholders.

HLB has formed the opinion that the acquisition is fair because the value of assets acquired is greater than the value of consideration being provided by Gleneagle. ASIC Regulatory Code 111 states that "an offer is reasonable if it is fair".

4. *ACQUISITION*

4.1 Full details and conditions of the Acquisition are set out in the Notice of General Meeting and Explanatory Memorandum which accompanies this report. For the benefit of shareholders, we have summarised the key features of the Acquisition as follows.

4.2 As outlined in an ASX announcement on 3 December 2008, the key terms of the acquisition are as follows:

Gleneagle has reached agreement with Namane, a wholly owned subsidiary of Community Investment Holdings (Pty) Ltd, to acquire up to a 70% shareholding in Temo Coal Mining (Pty) Ltd ("Temo") and Manupont 243 (Pty) Ltd ("Manupont"), the holders of the Prospecting Rights.

Under the terms of the Sale of Shares Agreements, Gleneagle:

- shall acquire an initial 35% shareholding in Temo and Manupont by making payment to Namane of ZAR15 million (approximately A$2.31 million) cash, and to procure the issue of 100 million Gleneagle shares at a deemed issue price of A$0.075, and the grant of 50 million options in the capital of Gleneagle (exercisable at 15 cents on or before 31 May 2013),
- can acquire a further 35% shareholding in Temo and Manupont (for a total of 70%) through spending a maximum of ZAR100 million (approximately A$15.38 million) within a two year period on the Prospecting Rights to advance to a Bankable Feasibility Study ("BFS") level enabling the establishment of a future commercial mining operation, and
- upon the delivery of a total estimated coal resource of 1 Billion Tonnes to a SAMREC compliant measured and/or indicated category shall for the benefit of Namane issue 100 million Gleneagle shares at a deemed issue price of A$0.075, and grant 50 million options in the capital of Gleneagle (exercisable at 15 cents on or before 31 May 2013), and
- upon the delivery of the BFS shall for the benefit of Namane issue 130 million Gleneagle shares at a deemed issue price of A$0.075, and grant 50 million options in the capital of Gleneagle (exercisable at 15 cents on or before 31 May 2013),
- will pay a production royalty being the greater of ZAR0.50 (approximately A$0.08) or the ZAR equivalent of US$0.07 (approximately A$0.11) per tonne of coal sold from the Projects during the term of the mining operations.

The underlying transaction between Gleneagle and CIH (the BEE partner) is pursuant to arrangements entered into between Gleneagle and Beel Mining (Pty) Ltd; a South African registered company which has negotiated and secured the transaction referred to above. Pursuant to a deed, Gleneagle has been granted the rights to the transaction in return for which Gleneagle will pay the following consideration:

- the issue of 90 million Gleneagle shares and the grant of 90 million options to acquire Gleneagle shares (exercisable at 15 cents on or before 31 May 2013), and
- the reimbursement of expenditure on the Projects to a maximum of US$250,000.

The agreements are conditional on (amongst other things), Gleneagle completing legal and technical due diligence on the Projects, dual listing of Gleneagle's shares on the Johannesburg Stock Exchange, regulatory approvals and any necessary shareholder approvals.

4.3 We note that the shareholder approvals are considered to be interdependent and have been dealt with as one transaction for the purposes of this report. Additionally, the Notice of meeting and explanatory memorandum, to which this report is attached, includes additional resolutions that are considered for the purposes of this report to be interdependent. These resolutions are :

- Subject to the approval of Resolution 2,3 and 6, the issue of 90,000,000 fully paid ordinary shares in the capital of the Company and the grant of 90,000,000 May 2013 options exercisable at 15 cents each to the shareholders of Beel (Resolution 1);

- Subject to the approval of Resolutions 1, 3 and 6, the issue to the shareholders of Namane:
    - 100,000,000 fully paid ordinary shares in the capital of the Company and the grant of 50,000,000 options exercisable at 15 cents each on or before 31 May 2013; and
    - Up to a further 230,000,000 fully paid ordinary shares in the capital of the Company and the grant of up to a further 100,000,000 options exercisable at 15 cents each on or before 31 May 2013 (Resolution 2);

- Subject to passing approval of Resolution 1,2 and 6, approval is sought under item 7 of section 611 of the Corporations Act to authorize the issue of up to 330,000,000 shares and 150,000,000 shares on the conversion at the time(s) of exercise of May 2013 options to Namane. As a result of this share issue Namane will have an interest in more than 19.99% of the Company's issued and voting shares (Resolution 3);

- Subject to approval of Resolution 1, 2, 3 and 6, the issue of 75,000,000 options exercisable at 10 cents each to Firestone Capital Partners Ltd and/or its nominees (Resolution 4);

- Subject to approval of Resolution 1, 2, 3 and 6, the issue of 120,000,000 options exercisable at 15 cents each to Firestone Capital Partners Ltd and/or its nominees (Resolution 5);

- The approval for the Company to change the nature and scale of its operations. (Resolution 6).

4.4 Namane Interest

Currently Namane holds a nil% interest in Gleneagle. The following sets out the impact on the shareholding of Namane under the acquisition, as authorized in the notice of meeting:

Assumptions	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6
1	X	X	X	X	X	X
2	X	X	X	X	X	X
3					X	X
4	X	X	X	X	X	X
5		X	X		X	
6		X		X	X	
Maximum % of shares held by Namane.	58.78%	35.25%	50.66%	38.54%	44.19%	67.47%

Each scenario has assumptions which are referred to in the Assumption Table.

Note : "X" in the box specifies that a corresponding assumption as specified in the table below has been used in the scenario. "Scenario 1" represents the position immediately after the shares are allocated to Namane as per resolution 2 of this notice, it is the "Status Quo" case.

Assumption Table

No.	Description of Assumptions
	GLENEAGLE GOLD LIMITED
1	No Other issue of shares or options are made prior to the expiry of the May 2013 options
2	No Shares or options are cancelled and no capital reductions are done prior to the expiry of the May 2013 Options
	NAMANE RESOURCES ASSUMPTIONS
3	Namane exercises the 31 May 20013 Options
4	Namane does not acquire any other Shares on or before the expiry of the 31 May 2013 Options
	SECURITY HOLDER ASSUMPTIONS
5	All "in the money" options other than "May 2013 options" are exercised on or before their expiry date and the expiry of the May 2013 Options
6	All other May 2013 option holders, other than Namane Resources, do exercise their May 2013 Options

5. IMPLICATIONS OF THE ACQUISITION TO GLENEAGLE GOLD LIMITED

5.1 Immediately following the approval by shareholders and issue of all securities referred to in the Notice of Meeting, the following equity securities will be on issue:

	Total
Current Position	141,431,468
Issued to Shareholders of Beel	90,000,000
Sub total	231,431,468
Issued to Shareholders of Namane	330,000,000
TOTAL	561,431,468

5.2 As at 20 January 2009 the number of issued shares in Gleneagle Gold Limited totalled 59,780,966 and the top 20 shareholders were as follows:

	Number	***% of capital***
Fire Dynamic Holdings Limited	20,000,000	14.14
HSBC Custody Nominees (Australia) Limited	9,064,462	6.41
Ms Donna Joy Loxton	9,000,000	6.36
Sephor Investments Limited	9,000,000	6.36
Zero Nominees Pty Ltd	8,511,364	6.02
Istana Securities Pty Ltd	6,750,000	4.77
Mr Wayne Loxton	5,818,182	4.11
Quicksilver Asset Pty Ltd	3,181,819	2.25
Mr Timothy Arthur Kestell	2,727,273	1.93
P & L Capital Investments Pty Ltd	2,727,273	1.93
Clearview Asset Pty Ltd	2,400,000	1.70
Millcorp Securities Pty Ltd	2,340,910	1.66
Mr David James Porter	2,250,000	1.59
Mr Paul Andrew Hardie <Hardie Family Fund A/C>	2,113,637	1.49
Carrick Holdings Limited	2,000,000	1.41
Mr Francis Joseph Maher + Ms Sharon Jane Maher <The Maher Family A/C>	1,863,637	1.32
UBS Wealth Management Australia Nominees Pty Ltd	1,834,546	1.30
Kape Securities Pty Ltd	1,818,182	1.29
Tongaat Pty Ltd <Blue Seas A/C>	1,818,182	1.29
Askrigg Holdings Pty Ltd	1,727,274	1.22
TOTAL	**96,946,741**	**68.55**

The top 20 shareholders therefore control 68.55% of the Company. If the Acquisition is approved, the effects on the percentage shareholdings of these shareholders would be as follows:

	Shares on issue	***% held by existing top 20 shareholders***	***% held by Vendors***	***% held by other shareholders***
Current position	141,431,468	68.55%	0%	31.45%
Initial Acquisition	190,000,000			
Sub Total	331,431,468	29.25%	30.17%	40.58%
Acquisition	230,000,000			
TOTAL	561,431,468	17.27%	58.78%	23.95%

6. CORPORATE HISTORY AND NATURE OF BUSINESS

6.1. GLENEAGLE GOLD LIMITED

The Company was registered on 18 February 2003. It was listed on the Australian Stock Exchange on 25 July 2003.

On 30 April 207 trading in the Company's securities on ASX was voluntary suspended. The Company was placed into administration on 3 May 2007. The Company was released from administration on 12 March 2008 and was reinstated to the ASX on 1 May 2008.

The Company lodged its 30 June 2008 Annual Report with the ASX on 12 September 2008. The Independent Auditor's Report on the 2008 Annual Report contained a qualification in relation to the result for the year and on the comparative information due to a limitation of scope in the 2007 financial year.

The current directors of Gleneagle are Lee Boyd, Malcolm Smartt and Gavin Rodie.

6.2. WATERBERG COALFIELD PROJECTS

A description of the Waterberg Coalfield Project is outlined under the Explanatory notes to Resolution 2 in the Notice of General Meeting.

7. FUTURE DIRECTIONS OF GLENEAGLE GOLD LIMITED

As outlined in the Notice of Meeting, the Company proposes to acquire the Waterberg Coalfield Project and following that Acquisition the business of Gleneagle will primarily be the exploration and development of that project.

We have discussed with the Independent Directors and management of Gleneagle the proposed future direction of the Company.

Currently the Company does not have a significant project and has been considering its options.

The acquisition represents a significant project, which the Directors and management believe to be in the best interests of all shareholders.

There are no current alternative proposals currently under consideration by the board and the board considers it unlikely that an alternative superior proposal will emerge.

The Company has made a decision to change the nature of its existing business and considers this to be in the interests of all shareholders. In the event that the project thereafter requires further funding, the Board will consider that funding at that time.

8. BASIS OF VALUATION

In determining whether the Acquisition is fair and reasonable, we have referred to Regulatory Guides 111 and 112 issued by ASIC. Regulatory Guide 111 requires that we should identify the advantages and disadvantages of the proposal to security holders not associated with the transaction, as well as providing an opinion on whether the advantages of the proposal outweigh the disadvantages.

We have satisfied the requirements of Regulatory Guide 111 by completing the following comparisons:

- A comparison of the value of the consideration being given up by the Company share and the value of assets being acquired (see Section 10 of our Report, "Assessment as to Fairness"); and

- An analysis of the reasonableness of the Acquisition by reference to the advantages and disadvantages of the proposal (see Section 12 of our Report, "Reasonableness of the Acquisition").

8.1 VALUATION OVERVIEW

The usual approach to the valuation of an asset is to seek to determine what a willing but not anxious buyer, acting at arm's length, with adequate information, would be prepared to pay and a willing, but not anxious seller would be prepared to accept in an open market.

In valuing Gleneagle prior to consideration of the Acquisition, we have considered the following valuation approaches:
- Market value approach;
- Asset approach;
- Discounted cash flow ("DCF") approach; and
- Capitalisation of future maintainable earnings (earnings based) approach.

8.2 VALUATION APPROACH

HLB believes that the most appropriate method for valuing the issued shares in Gleneagle is the asset based approach due to it's lack of profitability. The most common form of asset based approach is the Net Realisable Value method. The resultant net realisable value of the assets of the Company can then be expressed in terms of a value per share.

Details of our valuation are set out in Section 9 of this Report.

8.3 QUOTED MARKET PRICE BASIS

Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a "deep" market in that security. Whilst the trading of Gleneagle shares cannot be considered to be "deep", the resultant trading level will be used as a cross check of the valuation on the basis as set out in Section 8.2 above. The valuation cross check is set out in Section 9.2 of this report.

9. VALUATION OF GLENEAGLE GOLD LIMITED

We have assessed the value of Gleneagle on the basis of the fair market value of the Company's underlying net assets on a going concern basis, market values for available for sale assets and book values of Gleneagle's other net assets as at 30 September 2008 as determined from Gleneagle's management accounts as at 30 September 2008. Gleneagle's net assets are summarised below, together with our assessment of fair market values. We have also included the following proforma adjustments which relate to resolutions passed by shareholders at a general meeting held 30 September 2008 which have now been finalised:

i) The raising of capital to finance the acquisition of A$1,082,500, via the issue of 21,650,000 ordinary fully paid shares at 5 cents;

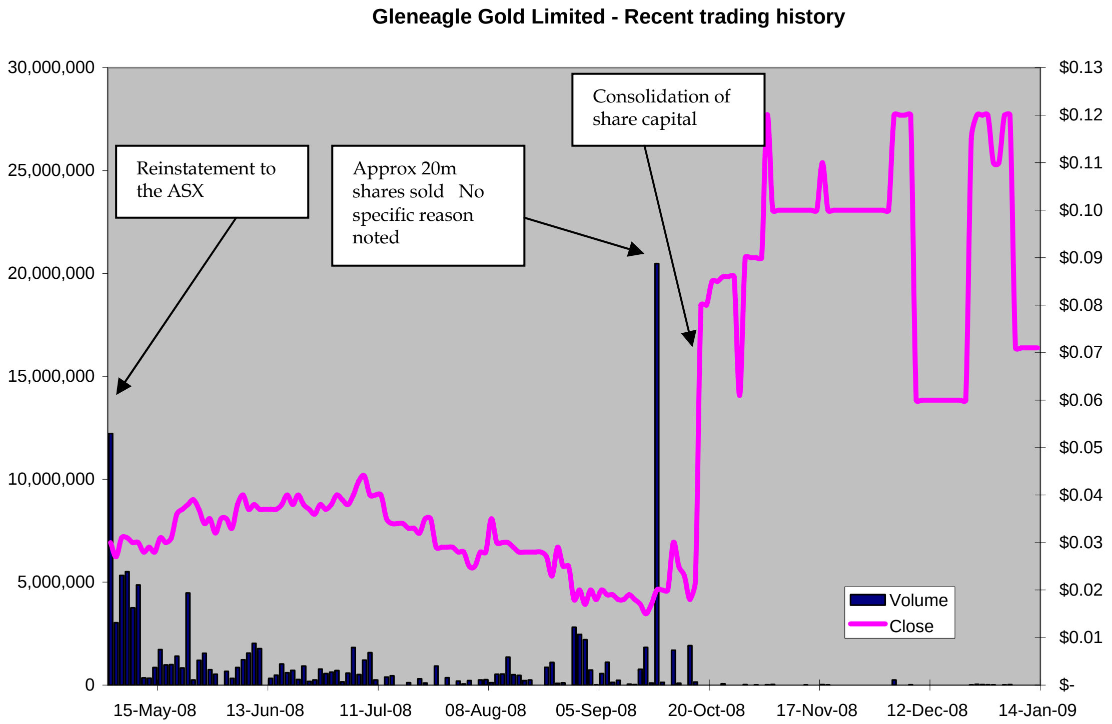
ii) The issue of 60,000,000 ordinary fully paid shares to Resource Venture Capital Partners Pty Ltd in lieu of services provided; and

	Unaudited 30 September 2008	*Valuation Adjustments*	*Proforma Adjustments*	*Valuation*
	$	**$**	**$**	**$**
Current Assets				
Cash	2,060,286	-	1,082,500	3,142,786
Trade and Other Receivables	137,964	-	-	137,964
Other Financial Asset	2,732	-	-	2,732
Total Current Assets	2,200,982	-	1,082,500	3,283,482
Total Non Current Assets	274,278	-	-	274,278
Total Assets	2,475,260	-	1,082,500	3,557,760
Current Liabilities				
Creditors & Borrowing	137,200	-	-	137,200
Provisions	12,000	-	-	12,000
Total Current Liabilities	149,200	-	-	149,200
Total Liabilities	149,200	-	-	149,200
Net Assets	**2,326,060**	**-**	**1,082,500**	**3,408,560**
	Number 000's	**Number 000's**	**Number 000's**	**Number 000's**
Fully paid shares on issue	59,781	-	81,650	141,431
Fair market value per share (cents)	**3.89**	**-**		**2.41**

Based on the above, we consider that the underlying net asset value of a share in Gleneagle to be 2.41 cents.

9.1 ANALYSIS OF RECENT TRADING

Gleneagle was reinstated onto ASX on 1 May 2008. The following graph represents the volume and price of the trading in Gleneagle's shares on the ASX since reinstatement to trading.



The share market can be expected to provide an objective assessment of the fair market value of a listed entity, where the market is well informed and liquid. Market prices incorporate the influence of all publicly known information relevant to the value of an entity's securities.

Share prices from share market trading do not reflect the market value for control of a company as they are for portfolio holdings. Traditionally, the premiums required to obtain control of companies range between 15% and 25% of the portfolio holding values.

Since consolidation of the share capital on 30 September 2008, Gleneagle shares have traded in a range from $0.061 on 28 October 2008 (and again on 10 December 2008, although only 55 shares traded) to $0.12 on 4 November 2008 and numerous times in December 2008 and January 2009).

The volume weighted average closing price over the 10 days prior to the announcement of the acquisition was $0.10.

9.2 CONCLUSION ON THE FAIR MARKET VALUE OF A GLENEAGLE SHARE

We have considered the recent trading performance of Gleneagle's shares on the ASX. We consider the price post reinstatement of the Company onto the ASX does not adequately reflect the Company's current financial position, but includes an element of speculation.

We consider therefore, that the value of a Gleneagle share lies within the range of 2.41 cents to 12 cents, with a preferred value of 7.25 cents.

10. ASSESSMENT OF FAIRNESS

10.1 CONSIDERATION OFFERED BY GLENEAGLE

The initial consideration offered by Gleneagle to purchase 35% of the Waterberg Coalfield Project is as follows:

Consideration	***Underlying value (based on preferred)***	***Value***
90,000,000 fully paid ordinary shares (acquisition of rights)	7.25 cents	$6,525,000
90,000,000 options exercisable at 15 cents (acquisition of rights)	3.1 cents per option* (refer Appendix 4)	$2,790,000
US$250,000 (acquisition of rights)	Converted at 0.66	$378,788
100,000,000 fully paid ordinary shares (payable to Namane)	7.25 cents	$7,250,000
50,000,000 options exercisable at 15 cents (payable to Namane)	3.1 cents per option* (refer Appendix 4)	$1,550,000
RAND15,000,000 (payable to Namane)	Converted at 6.75	$2,222,222
75,000,000 options exercisable at 10 cents (Firestone Capital)	4.2 cents per option* (refer Appendix 4)	$3,150,000
120,000,000 funding options exercisable at 15 cents (Firestone Capital)	2.4 cents per option* (refer Appendix 4)	$2,880,000
TOTAL		**$26,746,010**

The completion consideration offered by Gleneagle to purchase an additional 35% of the Waterberg Coalfield Project is as follows:

Consideration	Conversion	Value
Exploration expenditure of RAND100,000,000	Converted at 6.5	$14,814,815
100,000,000 fully paid ordinary shares (in the event of indicated and measure coal resource of 1.0Bt)	7.25 cents	$7,250,000
50,000,000 options exercisable at 15 cents (in the event of indicated and measure coal resource of 1.0Bt)	3.1 cents per option* (refer Appendix 4)	$1,550,000
130,000,000 fully paid ordinary shares (in the event of delivery of bankable feasibility study)	7.25 cents	$9,425,000
50,000,000 options exercisable at 15 cents (in the event of delivery of bankable feasibility study)	3.1 cents per option* (refer Appendix 4)	$1,550,000
TOTAL		**$34,589,815**

GRAND TOTAL		**$61,335,825**

*We have undertaken a valuation of the Options using the Black-Scholes option pricing model. The assumptions on which the calculation is based is set out in Appendix 4.

Using 12 cents as the underlying share value, the total consideration is $85,990,825.

10.2 ASSETS BEING ACQUIRED

Gleneagle will be acquiring an initial 35% interest in the Waterberg Coalfield Project.

Based on certain events, Gleneagle has the right to acquire an additional 35% in the Waterberg Coalfield project.

The rights to these projects are held by two South African registered company's, Temo Coal Mining (Pty) Ltd (Registration Number 2005/00510/07) and Manuport 243 (Pty) Ltd (Registration Number 2006/026414/07). Temo and Manuport have no other assets or liabilities.

An independent valuation of the Waterberg Coalfield Project has been undertaken by Al Maynard & Associates Pty Ltd valuing the project at $123 million (preferred value).

A copy of the report by Al Maynard & Associates Pty Ltd is available on Gleneagle's website at:

http://www.gleneagle.com.au/projects/igr_waterberg_project.pdf

10.3 CONCLUSION

	Value offered by Gleneagle (based on preferred value) $'000	Value of assets being acquired (based on preferred value) $'000
Initial consideration	26,746	43,050
Secondary consideration	34,590	43,050
	61,336	**86,100**

Based on the above, the acquisition is consider fair as the value of assets being acquired is greater that the consideration.

11 PREMIUM FOR CONTROL

Premium for control for the purposes of this report, has been defined as the difference between the price per share which a buyer would be prepared to pay to obtain or improve a controlling interest in the Company and the price per share which the same person would be required to pay per share, which does not carry with it control or the ability to improve control of the Company.

Currently the Top 20 shareholders collectively control Gleneagle. As a result of the acquisition, the certain of the Vendors (Namane) may be in a position (subject to certain events occurring) to control up to 67.5% of the voting power, gaining control of the Company.

ASIC Regulatory Guide 111 requires that the expert give an opinion as to whether the proposed issue of shares (Namane shareholders), will result in the Company receiving a premium for control. We have concluded that the amount for any premium for control paid by the Vendors is the amount by which the assets being acquired, exceeds the value of consideration being offered by Gleneagle.

On this basis, we conclude that the Vendor shareholders will be paying a premium for control.

12. REASONABLENESS OF THE ACQUISITION

We have considered the effect on shareholders if the Acquisition is approved and have accordingly taken in to account the following advantages and disadvantages. We concluded that, in all cases, the advantages and disadvantages of rejecting the Acquisition are the inverse of approving the Acquisition. We have therefore only set out below the significant factors in the context of approving the Acquisition.

12.1 Advantages of approving the Acquisition

- We have concluded in Section 11 of our Report that the Acquisition is fair to Shareholders. ASIC Regulatory Guide 111 states that “an offer is reasonable if it is fair”.
- The Company will be significantly expanding its asset portfolio to include advanced coal assets;
- The Company will be changing the scale of its activities, immediately becoming an advanced coal explorer in addition to its exploration activities in Australia;
- The Company will be able to capitalize on current high demand and prices for coal; and
- There no alternative proposals currently being considered by the Gleneagle board.

12.2 Disadvantages of approving the Acquisition

- the proposal will result in dilution of current shareholders interests in the Company;
- The Company will be changing the nature of its activities which may not be consistent with the investment objectives of all shareholders; and
- there is no guarantee that the assets being acquired from the Vendors will generate a positive return for the Company and its Shareholders.

13. CONCLUSION

Based on the foregoing, we are of the opinion that the Acquisition is **fair and reasonable.**

Yours faithfully
HLB MANN JUDD CORPORATE (WA) PTY LTD
Licensed Investment Advisor (AFSL Licence number 250903)

N G NEILL
Authorised Representative

APPENDIX 1 SOURCES OF INFORMATION

In preparing this report we have had access to the following principal sources of information:

- Gleneagle's Annual financial report for the year ended 30 June 2008;
- Share Purchase Agreement between Oxestall Overseas and Gleneagle;
- Shareholders' Agreement and Sale of Shares Agreement between Namane, Beel and Gleneagle relating to City Trading and Manupont;
- Draft Notice of Meeting and Explanatory Memorandum which this Report will accompany.
- Discussions with and information provided by the Directors and management of Gleneagle;
- Management accounts of Gleneagle to 30 September 2008;
- Announcement to the ASX by Gleneagle in relation to the Acquisition;
- Publicly available information; and
- Independent valuation by Al Maynard & Associates Pty Ltd

APPENDIX 2 QUALIFICATIONS, DECLARATIONS AND CONSENTS

HLB, which is a wholly owned entity of HLB Mann Judd (WA Partnership), is a Licensed Investment Adviser and holder of an Australian Financial Services Licence under the Act and its authorised representative is qualified to provide this Report. The authorised representative of HLB responsible for this Report has not provided financial advice to Gleneagle.

Prior to accepting this engagement, HLB considered its independence with respect to Gleneagle to with reference to ASIC Regulatory Guide 112. In HLB's opinion, it is independent of Gleneagle and the Vendors

This Report has been prepared specifically for the shareholders of Gleneagle. It is not intended that this Report be used for any other purpose other than to accompany the Explanatory Memorandum to be sent to the Gleneagle shareholders. In particular, it is not intended that this Report should be used for any purpose other than as an expression of the opinion as to whether or not the Acquisition is fair and reasonable to the shareholders of Gleneagle. HLB disclaims any assumption of responsibility for any reliance on this Report to any person other than those for whom it was intended, or for any purpose other than that for which it was prepared.

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. In the preparation of this Report, HLB has relied on and considered information believed, after due inquiry, to be reliable and accurate. HLB has no reason to believe that any information supplied to it was false or that any material information has been withheld.

HLB has evaluated the information provided to it by Gleneagle and other parties, through inquiry, analysis and review, and nothing has come to its attention to indicate the information provided was materially misstated or would not provide a reasonable basis for this Report. HLB has not, nor does it imply that it has, audited or in any way verified any of the information provided to it.

In accordance with the Act, HLB provides the following information and disclosures:

- HLB will be paid its usual professional fees (estimated to be approximately $17,000) based on time involvement at normal professional rates, for the preparation of this Report.

- Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report.

- HLB, nor any of its directors or associates, have any interest in Gleneagle or the Vendors.

- Neither HLB nor HLB Mann Judd (WA Partnership) has had any relationship with Gleneagle o any associate of Gleneagle or the Vendors, other than HLB Mann Judd (WA Partnership) has acted and continues to act as auditors of Gleneagle.

APPENDIX 3 GLOSSARY OF TERMS

TERM	**DEFINITION**
Act	Corporations Act 2001
Acquisition	Transaction as outlined in Section 4
Agreement	Shareholders' Agreement and Sale of Shares Agreement between Namane, Beel and Gleneagle relating to Temo and Manupont
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange Limited
Directors	Directors of Gleneagle
GST	Goods and Services Tax
HLB	HLB Mann Judd Corporate (WA) Pty Ltd
Gleneagle or the Company	Gleneagle Gold Limited
Shares	Ordinary fully paid shares in the capital of the Company
Shareholders	Shareholders of Gleneagle
Shareholders' Meeting	Meeting convened to consider the Acquisition.
Shareholder Approval	Approval by the shareholders at the Shareholders Meeting

APPENDIX 4 BLACK SCHOLES ASSUMPTIONS AND CALCULATIONS

We have determined an indicative value for the options as outlined in Section 10.1 using the Black and Scholes Option Pricing Model.

The model describes the value of an option as being a function of five variables:

(i) Value of the underlying share;
(ii) The risk free rate of return;
(iii) The variance (or volatility) of the share price;
(iv) The exercise price of the option; and
(v) The remaining time to maturity.

A. OPTIONS PROPOSED TO BE ISSUED

Set out below is our understanding of the options proposed to be issued:

A.1 (Funding Options)

Number of Options:	120,000,000
Exercise Price:	15 cents
Expiry Date:	31 March 2012

A.2

Number of Options:	75,000,000
Exercise Price:	10 cents
Expiry Date:	31 May 2013

A.3

Number of Options:	240,000,000
Exercise Price:	15 cents
Expiry Date:	31 May 2013

B. VALUATION

Our calculation of the value of each note has been performed based on the following assumptions:

(i) We have based the underlying value of each share in the Company on the calculated value per share of 7.25 cents as detailed in Section 9.2;

(ii) Risk free rate of return – 3.41% (estimated, based on the 5 year bond indicator rate as at 20 January 2009;

(iii) We have determined a volatility of the share price of 75%; and

(iv) We have assumed an exercise price as outlined above.

C. THEORETICAL VALUATION

Based on the above factors, the Black and Scholes Option Pricing Model attributes a theoretical value to each option as follows:

A1	2.4 cents;
A2	4.2 cents;
A3	3.1 cents.

HLB Mann Judd Corporate (WA) Pty Ltd
ACN 008 878 555
Licensed Investment Adviser

FINANCIAL SERVICES GUIDE
Dated 1 July 2008

1. HLB Mann Judd Corporate (WA) Pty Ltd

HLB Mann Judd Corporate (WA) Pty Ltd ABN 69 008 878 555 ("HLB Mann Judd Corporate" or **"we"** or **"us"** or **"ours"** as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide

In the above circumstances we are require to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our **Australian Financial Services Licence, No. 250903**;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:
- securities;
- interests in managed investment schemes excluding investor directed portfolio services;
- superannuation; and
- debentures, stocks or bonds issued or proposed to be issued by a government

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product and there is no statutory exemption relating to the matter, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither HLB Mann Judd Corporate, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by us

HLB Mann Judd Corporate has no employees. All personnel who complete reports for HLB Mann Judd Corporate are either partners of HLB Mann Judd (WA Partnership). None of either those partners or personnel is eligible for bonuses directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

HLB Mann Judd Corporate is wholly owned by HLB Mann Judd (WA Partnership). Also, our directors are partners in HLB Mann Judd (WA Partnership). Ultimately the partners of HLB Mann Judd (WA Partnership) own and control HLB Mann Judd Corporate.

From time to time HLB Mann Judd Corporate or HLB Mann Judd (WA Partnership) may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints resolution

9.1. Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints must be in writing, addressed to The Complaints Officer, HLB Mann Judd Corporate (WA) Pty Ltd, 2nd Floor, 15 Rheola Street, West Perth WA 6005.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within **7 days** and investigate the issues raised. As soon as practical, and not more than **one month** after receiving the written complaint, we will advise the complainant in writing of the determination.

9.2. Referral to external disputes resolution scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited (**"FOS**"). FOS independently and impartially resolves disputes between consumers, including some small business, and participating financial services providers.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details at the foot of page 1 of this FSG.