



GREAT BASIN GOLD LTD.

(Incorporated in accordance with the laws of Canada and registered as an external company in South Africa)

(Registration number B0436691)

(External company registration number 2006/021304/10)

(Share code on the Toronto Stock Exchange: GBG)

(Share code on the American Stock Exchange: GBN)

(Share code on the JSE Limited: GBG)

("the Company" or "Great Basin")

Pre-listing Statement

Prepared in terms of the Listings Requirements of the JSE Limited ("JSE")

This Pre-listing Statement is not an invitation to the public to subscribe for or an offer to the public to purchase ordinary shares of the Company but is issued in compliance with the Listings Requirements of the JSE Limited ("JSE") for the purpose of giving information to the public with regard to Great Basin.

The JSE has granted a listing by way of an introduction of all of the Great Basin ordinary shares in issue, in the "Mining – Gold Mining" sector of the JSE under the abbreviated name "GB Gold", with effect from the commencement of trade on the JSE on 27 October 2006.

Great Basin currently has a primary listing on the Toronto Stock Exchange ("TSX") and a secondary listing on the American Stock Exchange ("AMEX") and as at the last practicable date had a market capitalisation of \$214.1 million, based on the TSX's closing price of \$1.90 per Great Basin ordinary share; and a market capitalisation of US\$190.4 million, based on the AMEX's closing price of US\$1.69 per Great Basin ordinary share. Applying an exchange rate of ZAR6.69/\$ on the last practicable date this translates to a market capitalisation of ZAR1.4 billion on such date. The Company complies with the minimum spread requirements of the JSE.

At the date of listing, the authorised share capital of Great Basin will comprise of an unlimited number of ordinary shares with no par value, of which 112,665,213 ordinary shares have been issued. All the ordinary shares in terms of this pre-listing listing rank *pari passu*.

Great Basin ordinary shares will only be traded on the JSE as dematerialised shares and accordingly all shareholders who elect to receive certificated shares will have to dematerialise their certificated shares should they wish to trade on the JSE.

The directors of Great Basin, whose names are given in paragraph 10 commencing on page 23 of this Pre-listing Statement, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by the JSE Listings Requirements.

The co-ordinator, sponsor, attorneys in South Africa, independent reporting accountants and transfer secretaries in South Africa, whose names are included in this Pre-Listing Statement, have consented in writing to act in the capacities stated and to their names being included in this Pre-listing Statement and have not withdrawn their consents prior to the publication of this Pre-Listing Statement. The independent reporting accountants have consented to the inclusion of their report in the form and context in which it appears and have not withdrawn such consent prior to the publication of this Pre-listing Statement.

An abridged version of this Pre-listing Statement will be released on SENS on 23 October 2006 and published in the press on 24 October 2006.

**Global Co-ordinator
and Sponsor**



**Attorneys to
Great Basin**



**Auditors and
Reporting Accountants**



Copies of this Pre-listing Statement in English can be obtained during normal business hours between 08:00 and 17:00 from 25 October 2006 to 30 November 2006. The copies may be obtained from the Company's South African office, the address of which is set out in the "Corporate Information" section, on the inside front cover of this Pre-listing Statement.

Date of issue: 25 October 2006

CORPORATE INFORMATION

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FORWARD-LOOKING STATEMENTS

Certain forward-looking statements may be included in this Pre-listing Statement which include, without limitation, expectations regarding metal prices, estimates of reserves and resources, estimates of production, operating expenditure, capital expenditure and projections regarding the completion of capital expenditure as well as the financial position of the company. Although Great Basin believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be accurate. Accordingly, results could differ from those projected as a result of, amongst other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks.

SALIENT FEATURES

The following information is only a summary of the more detailed information contained in the main body of this Pre-listing Statement, which should be read in its entirety for a full appreciation thereof. The definitions and interpretations commencing on page 7 of this Pre-listing Statement apply *mutatis mutandis* to the salient features as set out below.

1. INTRODUCTION TO THE GREAT BASIN GROUP

Great Basin was incorporated on 19 March 1986 pursuant to the Company Act (British Columbia) ("the BCCA"). The Company is currently listed on TSX under the share code "GBG" and classified under "Mining", and has a secondary listing on AMEX under the share code "GBN". Great Basin was listed on TSX on 3 September 2003 (prior to which Great Basin was listed on the TSX Venture Exchange) and on AMEX on 14 July 2003 (prior to which Great Basin traded on the OTC-Bulletin Board).

At the last practicable date Great Basin had a market capitalisation of \$214.1 million, based on a TSX closing price of \$1.90 per Great Basin ordinary share on such date. This translates to a market capitalisation of ZAR1.4 billion based on the prevailing exchange rate on such date. Great Basin is registered as an external company in South Africa.

The JSE has approved the application for a listing of all the issued ordinary shares of the Company in the "Mining – Gold Mining" sector of the JSE under the abbreviated name "GB Gold", with effect from the commencement of trade on the JSE on 27 October 2006. Great Basin has undertaken that it will comply in full with the Listings Requirements of the JSE on an ongoing basis, save where such requirements are in direct contravention of any continuous disclosure requirements or any associated legislation and regulation.

2. PURPOSE OF THE LISTING ON THE JSE

Great Basin wishes to obtain a secondary listing of its ordinary shares on the JSE due to the various strategic benefits that this could provide to the Great Basin group.

The main purposes of the listing on the JSE are to:

- provide a further funding mechanism through which Great Basin can structure and fund opportunities in the Burnstone Property in South Africa thereby facilitating growth;
- enhance South African investors' awareness of Great Basin, thereby enlarging Great Basin's investor base and increasing trade in its shares; and
- facilitate direct investment by South African residents in Great Basin.

The purpose of this Pre-listing Statement is to:

- provide the South African investment community with information relating to Great Basin, its operations and its directors and management; and
- set out historical financial information relating to Great Basin, so as to enable Great Basin to obtain a listing of its ordinary shares on the JSE.

3. NATURE OF THE BUSINESS

Great Basin is in the business of acquiring ownership of, and exploring and developing precious metals deposits.

For the past three years Great Basin has focused on two projects, namely:

- the HDB Project on the Hollister Property (previously the Ivanhoe Property) on the Carlin Trend in Nevada, United States, where underground exploration and development is underway. The HDB Preliminary Assessment (attached hereto as Annexure 1) with respect to HDB Project was completed on 17 July 2006;
- the advanced stage Burnstone Project, near Balfour, Mpumalanga, South Africa in the Witwatersrand goldfields for which the Burnstone Feasibility Study (attached hereto as Annexure 2) was completed on 10 May 2006;

The HDB and Burnstone Projects are in the advanced exploration stage.

4. **GROUP STRUCTURE**

Great Basin operates directly and through its wholly owned subsidiaries as follows:

| Name of subsidiary | Jurisdiction of incorporation | Great Basin ownership interest |
|---------------------------------------------|--------------------------------------|-------------------------------------------|
| Pacific Sentinel Resources Inc. | Yukon, Canada | 100% |
| N5C Resources Inc. | Cayman Islands | 100% |
| N6C Resources Inc. | Cayman Islands | 100% (held through N5C Resources Inc.) |
| Southgold Exploration (Proprietary) Limited | South Africa | 100%, (held through N6C Resources Inc.) |
| Great Basin Gold RSA (Proprietary) Limited | South Africa | 100% (held through N6C Resources Inc.) |
| Great Basin Gold Inc. | Nevada, USA | 100% |
| Rodeo Creek Gold Inc. | Nevada, USA | 100% (held through Great Basin Gold Inc.) |
| Antler Peak Gold Inc. | Nevada, USA | 100% (held through Great Basin Gold Inc.) |
| Touchstone Resources Company | Nevada, USA | 100% (held through Rodeo Creek Gold Inc.) |

5. **FUTURE PROSPECTS**

Great Basin plans to move from an advanced exploration company to a mid-tier gold producer i.e. company that has achieved a level of production of 500,000 oz/annum, within three years through a strategy of:

- developing its highly prospective projects into high margin productive units;
- acquiring prospective companies and/or assets; and
- continual increasing of its resource base through focused exploration programmes.

6. **FINANCIAL INFORMATION**

The audited consolidated historical financial information of Great Basin for the three years ended 31 December 2005 are attached hereto as Annexure 3. The reviewed financial statements for Great Basin for the period commencing 1 January 2006 to 30 June 2006 are attached hereto as Annexure 5. The aforementioned information has been prepared in accordance with Canadian generally acceptable accounting principles.

The independent reporting accountants' report on the historical financial information of Great Basin for the three financial years ended 31 December 2005 and for the reviewed interim period ended 30 June 2006 are attached as Annexures 4 and 6 to this Pre-listing Statement, respectively. Great Basin's management is responsible for the accuracy of the audited and reviewed financial information.

7. **MINERAL RESOURCES AND RESERVES**

Summaries of the Company's mineral resources and reserves with comparative numbers are set out in:

- Chapter 19 of the HDB Preliminary Assessment with respect to the HDB Project dated 17 July 2006; and
- Chapter 19 of the Burnstone Feasibility Study with respect to the Burnstone Project dated 10 May 2006.

8. **CURRENCIES**

All amounts referred to in this Pre-listing Statement with the prefix '\$' are stated in Canadian dollars unless otherwise indicated. Save for the audited financial statements which are based on the exchange rate as at 31 December 2005 currency conversions used herein are based on the exchange rate as at 30 June 2006, published by the Bank of Canada being: \$1 = ZAR6.4309 = US\$0.8959.

9. FURTHER COPIES OF THIS PRE-LISTING STATEMENT

Copies of this Pre-listing Statement in English can be obtained during normal business hours between 08:00 and 17:00 from 25 October 2006 to 30 November 2006. The copies may be obtained from the Company's South African office, the address of which is set out in the "Corporate Information" section, on the inside front cover of this Pre-listing Statement.

DEFINITIONS

In this Pre-listing Statement and its annexures, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the meaning stated opposite them in the second column and words in the singular shall include the plural and *vice versa*, words importing natural persons shall include corporations and associations of persons, an expression denoting any gender shall include the other genders and technical and mining terms shall have the meanings assigned to them in the Burnstone Feasibility Study which is deemed to be incorporated herein by reference:

| | |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "AMEX" | the American Stock Exchange LLC; |
| "Ballottine" | Ballottine Investments (Proprietary) Limited; (Registration number 2003/005127/07); |
| "BCA" | Business Corporations Act, 2002 (British Columbia); |
| "BCCA" | Company Act, RSBC 1996, C.62; |
| "BEE" | Black economic empowerment as contemplated under the Broad-Based Black Economic Empowerment Act, No. 53 of 2003; |
| "BLM" | Bureau of Land Management; |
| "the Board" | the board of directors of Great Basin; |
| "Burnstone Feasibility Study" | Technical Report on the Feasibility Study of the Burnstone Project, written as prescribed under National Instrument 43-101 and dated 10 May 2006; |
| "Burnstone Project" | the project near Balfour in Mpumalanga, South Africa, where the Company is developing a gold mine in accordance with the Burnstone Feasibility Study; |
| "the Charter" | Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry; |
| "the Common Monetary Area" | collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland; |
| "dematerialise" | the process by which physical share certificates are replaced with electronic records of ownership in accordance with the rules of STRATE; |
| "dematerialised shares" | Great Basin ordinary shares in respect of which physical share certificates have been dematerialised; |
| "DME" | the Department of Minerals and Energy being a department of the South African government; |
| "Exchange Control" | the Exchange Control Department of the South African Reserve Bank; |
| "Form 40-F" | the annual report, required to be filed with the United States Securities and Exchange Commission under the provisions of the Securities Exchange Act, 1934 by Canadian companies that have a minimum free float of outstanding equity shares of US\$75 million; |
| "former Southgold Shareholders" | the former shareholders of Southgold being Arequipa Holdings (Proprietary) Limited, Exploration Target (Proprietary) Limited, John Cruise Mining (Proprietary) Limited, Pangea Exploration (Proprietary) Limited, Rietbult Exploration (Proprietary) Limited and Sovereign Individual Portfolios (Proprietary) Limited; |

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| “GFL” | GFL Mining Services Limited (Registration number 1997/019961/06); |
| “Governance Guidelines” | guidelines as set out by the Canadian Coalition for Good Governance; |
| “Governance Manual” | the corporate governance policies and procedures manual of Great Basin adopted effectively on 10 May 2005; |
| “Great Basin” or “the Company” | Great Basin Gold Limited, a company incorporated on 19 March 1986, in accordance with the Companies Act, 1921 (British Columbia) as amended; |
| “Great Basin group” | Great Basin and its subsidiaries; |
| “GBG RSA” | Great Basin Gold RSA (Proprietary) Limited (Registration number 2002/003981/07); |
| “Harmony” | Harmony Gold Mining Company Limited (Registration number 1950/038232/06); |
| “HDB Preliminary Assessment” | the preliminary assessment on the Hollister Development Block titled “The technical report and updated Preliminary Assessment on the Ivanhoe Gold Project” by David M.R. Stone dated 17 July 2006; |
| “HDB Project” | the Hollister Development Block project, previously known as the “Ivanhoe Gold Project”, constituting approximately 5% of the Hollister Property; |
| “HDI” | Hunter Dickinson Incorporated, a company incorporated under the federal laws of Canada (Registration number 895923084); |
| “HDSA” | Historically Disadvantaged South Africans as defined in the Charter; |
| “Heads of Agreement” | a non-binding document outlining the main issues relevant to a tentative partnership agreement; |
| “Hecla” | Hecla Mining Company Limited (Registration number 2005211); |
| “HDB” | Hollister Development Block which is the area lying within the boundaries of the Hollister Property, constituting an area of approximately 5% of the Hollister Property, that is subject to an-earn-in agreement with Hecla and on which the HDB Project is being undertaken; |
| “Hollister Property” | the property, previously known as the ‘Ivanhoe Property’ located in the north-eastern part of the Carlin Trend, approximately 50 miles (80 km) from Elko, Nevada, United States consisting of 924 unpatented claims covering over 69 square kilometres; |
| “Inferred Mineral Resource” | that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes; |
| “JSE” | the JSE Limited (Registration number 2005/022939/06), a company duly registered and incorporated with limited liability under the company laws of South Africa, licensed as an exchange under the Securities Services Act, No. 36 of 2004; |
| “last practicable date” | the last practicable date prior to the finalisation of this Pre-listing Statement, being 20 October 2006; |

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| “listing” or “listing on the JSE” | the listing of all Great Basin’s ordinary shares on the JSE in the “Mining – Gold Mining” sector under the abbreviated name “GB Gold”, with effect from the commencement of trade on the JSE on 27 October 2006; |
| “LTIP” | long-term incentive plan; |
| “Minerals Act” | Minerals Act, No. 50 of 1991; |
| “Mineral Reserve” | that part of a resource which can be mined legally and at a profit under economic conditions that are specified and which are generally accepted as reasonable. Economic viability must be demonstrated by at least a preliminary feasibility study based on Indicated and Measured Resources; |
| “Mineral Resource” | a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilised organic material including base and precious metals, coal, and industrial minerals in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge; |
| “MPRDA” | Minerals and Petroleum Resources Development Act, No. 28 of 2002; |
| “N5C” | N5C Resources Incorporated is a wholly-owned subsidiary of Great Basin (Registration number 120887/2002); |
| “NDEP” | Nevada Department of Environmental Protection; |
| “NEMA” | National Environmental Management Act, 107 of 1998; |
| “net smelter royalty” | a royalty based on the gross revenue realized by the sale of the minerals from the properties to a smelter, refinery or other buyer less the costs actually and necessarily incurred in refining or processing or treatment necessary to transform the minerals into a final marketable product as well as the cost actually and necessarily incurred in the marketing, transportation, insurance, weighing and analysis of the minerals; |
| “Newmont” | Newmont Exploration Limited, a Delaware company; |
| “NI 43-101” | Canadian National Instrument 43-101 – Standards of disclosure for mineral projects, which describes rules for disclosure of technical information, including the format and content of Technical Reports; |
| “Ore” | natural solid inorganic material or natural solid fossilized organic material containing economically recoverable minerals; |
| “Preliminary Assessment” | a preliminary assessment permitted in terms of section 2.3(3) of the National Instrument 43-101 Standards of Disclosure for Mineral Projects Table of Contents that includes an economic evaluation which uses Inferred Mineral Resources, subject to certain conditions; |
| “Pre-listing Statement” | this Pre-listing Statement and its annexures, which have been prepared in compliance with the Listings Requirements of the JSE; |
| “Reclamation Area” | portion of Hollister Property mining claims retained by Newmont in terms of the acquisition agreement with the Company; |
| “Royalty Bill” | draft Mineral and Petroleum Royalty Bill, 2006 published on 11 October 2006 for public comment by 31 January 2007; |

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| “\$” | unless the contrary is indicated, refers to Canadian dollars; |
| “SARB” | the South African Reserve Bank; |
| “SEDAR” | System for Electronic Document Analysis and Retrieval is a repository for regulatory documents that are required to be filed by Canadian public companies; |
| “Settlement Agreement” | the Agreement dated 26 May 2006 between Great Basin and the former Southgold Shareholders; |
| “SENS” | the Securities Exchange News Services of the JSE; |
| “South Africa” | the Republic of South Africa; |
| “Southgold” | Southgold Exploration (Proprietary) Limited (Registration number 2000/016129/07); |
| “STRATE” | STRATE Limited (Registration number 1998/022242/06), a central securities depository as contemplated in the Securities Services Act, No. 36 of 2004, a company duly registered and incorporated with limited liability under the company laws of South Africa; |
| “Touchstone” | Touchstone Resources Company (Registration number C5641-1987); |
| “Tranter” | Tranter Gold (Proprietary) Limited (Registration number 2005/028025/07); |
| “TSX” | the Toronto Stock Exchange (formerly the TSE); |
| “Unanimous Resolution” | a unanimous resolution (in accordance with the provisions of the BCA) where all the shareholders who are entitled to vote at an annual general meeting consent in writing to all the business that is required to be transacted at that annual general meeting, having the effect that that annual general meeting was deemed to have been held on the date of the unanimous resolution; |
| “United States” | the United States of America, its territories and possessions, any state of the United States and the district of Columbia; |
| “US\$” | United States dollar; and |
| “ZAR” or “rand” | the South African Rand. |

All currency amounts referred to in this Pre-listing Statement are stated in Canadian dollars unless otherwise indicated. Save for the audited financial statements which are based on the exchange rate as at 31 December 2005, currency conversions used herein are based on the exchange rate as at 30 June 2006, published by the Bank of Canada, being: \$1 = ZAR6.4309 = US\$0.8959.

Conversion of metric units into imperial equivalents will be calculated as follows:

| Metric Units | Multiply by | Imperial Units |
|---------------------|--------------------|--------------------------|
| Hectares | 2.471 | = acres |
| Metres | 3.281 | = feet |
| kilometres | 0.621 | = miles (5,280 feet) |
| Grams | 0.032 | = troy ounces |
| Tonnes | 1.102 | = short tons (2,000 lbs) |
| Troy ounces/ton | 0.029 | = grams/tonne |

PRE-LISTING STATEMENT

1. INCORPORATION, HISTORY AND NATURE OF BUSINESS

1.1 Incorporation

Great Basin was incorporated in 1986 under the name of Baron Ventures Limited. It subsequently changed its name to Sentinel Gold Corp then later to Pacific Sentinel Gold Corp. In 1993, the Company merged with two publicly listed corporations on the Vancouver Stock Exchange (predecessor to the Toronto Venture Exchange) namely Big Creek Resources Limited and Casino Silver Mines Limited under the name of Pacific Sentinel Gold Corporation. In 1997, the Company merged with North Coast Industries Limited and changed its name to Great Basin Gold Limited.

The Company is listed on TSX and on AMEX.

1.2 History

HDB Project

In 1997, Great Basin acquired Newmont's 75% interest in the Hollister Property in Nevada, United States and two years later, the Company increased its interest to 100% through the purchase of all the shares of Touchstone, which held the remaining 25%.

The HDB Project, previously known as the Ivanhoe Gold Project constitutes approximately 5% of the Hollister Property, and is subject to an earn-in agreement with Hecla, the particulars of which are set out below.

In August 2002, Great Basin entered into earn-in and joint operating agreements with Hecla whereby Hecla could vest in a 50% working interest in the HDB Project, subject to a purchase price royalty in favour of Great Basin, providing that Hecla funded a US\$21.8 million, two-stage, advanced exploration and development program (or otherwise achieved commercial production) and issued 4 million Hecla share purchase warrants to Great Basin (of which 2 million have been issued to date).

Concurrent with and in proportion to the Hecla warrants, Great Basin was to issue 2 million share purchase warrants (options to purchase shares in Great Basin) to Hecla of which 1 million have been issued to date.

To vest its 50% working interest, Hecla was required, upon completion of Stage 1, to elect to proceed to Stage 2 within 60 days. Following such an election, the Stage 2 program was required to be completed over the ensuing 12 months and was to consist of underground production development and procurement of production equipment and surface facilities, with an overall goal to develop the HDB Project to the point of commercial production. Under the earn-in agreement, Hecla was to be the operator during the Stage 1 and Stage 2 work programs, and would continue to be the operator of the mine if a positive production decision is made.

The 2002 Earn-in Agreement was modified in February 2006 as follows:

- Hecla committed to complete and fund 100% of the remaining Stage 1 earn-in activities by 31 March 2007 at its cost;
- Hecla is to fund Great Basin's share of any Stage 2 activities until such time that a feasibility study has been delivered to Great Basin. Upon receipt of the feasibility study, Great Basin is required to reimburse its share of Stage 2 costs to Hecla. Stage 2 activities are those which consist primarily of the development of the HDB Project into a mining operation, leading to commercial production;
- if the decision is made to develop and operate a mine, Hecla must achieve commercial production by 2 August 2009, in order to earn 50% working interest in the project; and
- Hecla is entitled to the proceeds of the first 50,000 oz of gold (or equivalent) up to the actual costs of Stage 1 activities, not to exceed \$25.07 million, from pre-production Stage 1 activities. Thereafter any pre-production revenues will be equally shared.

Once the joint operating agreement is activated during Stage 2, Hecla is obliged to pay Great Basin a royalty on production of US\$50 per gold equivalent ounce received from Hecla's participating interest in the project, subject to certain adjustments as set out in the joint operating agreement.

Great Basin's HDB Project hosts a number of gold-silver vein systems with high indicated grades that are potentially amenable to underground mining.

Burnstone Project

In November 2002, Great Basin acquired the right to purchase 100% interest in a private South African company, Southgold. Southgold obtained an option to purchase mineral rights in the Balfour area held by GFL and Randex Limited in a prospecting agreement dated 17 October 2000. In October 2003 Southgold exercised this option and purchased these mineral rights for ZAR35 million, subject to a net smelter royalty in favour of GFL for a maximum of 2% on a gold price higher than US\$400 per oz. The purchased mineral rights form a major portion of the Burnstone Project and comprise an area of approximately 11,563 hectares. Great Basin funded the purchase of the mineral rights by Southgold. The remaining mineral rights comprising the Burnstone Project were then secured by way of option from a number of smaller holders, described in detail in paragraph 6.4. The mineral rights for the whole area are now either owned or secured by Southgold.

Great Basin entered into an option agreement with the former Southgold Shareholders to purchase 100% of Southgold on 5 November 2002. On the signing of this agreement Great Basin paid US\$1.25 million to the Southgold Shareholders and agreed to conduct a prospecting program of US\$1.5 million. Great Basin completed the prospecting work and exercised the option to purchase the shares belonging to the former Southgold Shareholders. The payment was made in two tranches and comprised:

- a US\$2 million cash payment;
- 21 million Great Basin ordinary shares; and
- 10.5 million Great Basin ordinary share purchase warrants exercisable at US\$0.75, one year from the date of issuance, all of which have since been exercised by the former Southgold Shareholders.

Great Basin has now settled all remaining obligations to the former Southgold Shareholders under the abovementioned option agreement. Pursuant to a Settlement Agreement dated 26 May 2006 between Great Basin and the former Southgold Shareholders, Great Basin has issued 4 million ordinary shares having a deemed value of US\$2.25 per share and 2 million warrants, with each warrant entitling the former Southgold Shareholders to purchase an additional ordinary share of the Company at a price of US\$1.80. The warrants are exercisable for a two-year period and are subject to an accelerated expiry if the market price of Great Basin's ordinary shares exceeds US\$3.60 for 10 consecutive trading days. The Settlement Agreement, negotiated at arm's length, extinguishes certain additional consideration that Great Basin had to pay the former Southgold Shareholders based on the number of gold ounces estimated for the Burnstone Project and settles a potential claim by the former Southgold Shareholders in connection with consideration paid to Great Basin by its BEE partners.

Great Basin's Burnstone Project hosts gold within the Kimberley Reef horizon with moderate to high indicated grades that are potentially amenable to underground mining.

The HDB and Burnstone Projects are currently in the advanced exploration stage and have been assessed to have positive economic outlooks by the Burnstone Feasibility Study and the HDB Preliminary Assessment respectively.

Casino Project

Great Basin also owns a property which is located in Yukon, Canada. The Casino Project hosts a large-tonnage mineral resource that is potentially exploitable by open pit mining but no detailed engineering studies have recently been performed to assess its current viability. The territorial government of Yukon and the federal government of Canada both have jurisdiction over a wide variety of activities and persons affected by mining including local communities, habitat users and other persons claiming to hold a stake in the outcome of mining activity. No feasibility studies have been conducted on this Project and as such it is not known at this stage if it is economically viable.

1.3 Nature of business

Great Basin is in the business of acquiring ownership of, and exploring and developing, precious metals deposits. Great Basin does not have any operating revenue although, historically, it has had annual interest revenue as a consequence of investing surplus funds pending the completion of exploration programs.

The resource extraction business has historically been cyclical and the prices received for gold, silver and copper have been volatile and affected by factors and sentiments outside of the cost of production. The gold mining business operates in a global market, and prices are derived from market forces. Accordingly, metal prices may influence feasibility of refining minerals extracted.

For the past three years Great Basin has focused on two projects, namely the HDB and Burnstone Projects. No work has been done on the Casino Project for more than five years.

The Hollister Property

The Hollister Property, previously known as the Ivanhoe Property, is located in the north-eastern part of the Carlin Trend, approximately 50 miles (80 km) from Elko, Nevada. Great Basin's active exploration efforts at the HDB Project resulted in the discovery and delineation of several high-grade gold-silver vein systems, as well as the identification of a number of other exploration targets, including evidence for potential Carlin-style gold mineralization at depth.

In 2001, Great Basin outlined an inferred mineral resource in an area now known as the HDB Project. The HDB Project constitutes approximately 5% of the Hollister Property and is subject to an earn-in agreement with Hecla as described in paragraph 1.2 above.

The HDB Project hosts a number of gold-silver vein systems with high indicated grades that are potentially amenable to underground mining. This project is currently in the advanced exploration stage. An updated preliminary assessment, the HDB Preliminary Assessment (attached hereto as Annexure 1), indicates positive economics for an underground operation at the HDB Project.

The federal government of the United States and the state government of Nevada have jurisdiction over mining activities and communities, habitat users and other interests that may be affected by mining. In particular, the BLM has jurisdiction over the land on which the Hollister Property is located.

In terms of the HDB Preliminary Assessment, the HDB Project, at an assumed gold price of US\$450 per oz, results in an estimated pre-tax and 100% equity financed model of (see Chapter 19 of Annexure 1 hereto):

- a 5.9 year life of mine;
- an average annual production of 150,000 oz of gold and 760,000 oz of silver at full production;
- a capital cost of US\$ 41.3 million;
- an operating cost of US\$188.00 per ton milled;
- a cash cost of US\$213.00 per oz gold; and
- capital and operating costs of US\$258.00 per oz gold.

The Burnstone Project

Great Basin owns 100% of the Burnstone Project near Balfour in Mpumalanga. The Burnstone Project hosts the Kimberley Reef, a geological unit containing moderate to high-grade gold mineralization that is potentially amenable to underground mining. The South African government has jurisdiction over activities and communities, habitat users and other interests that may be affected by mining. In particular, the DME has jurisdiction over the land on which the Burnstone Property is located.

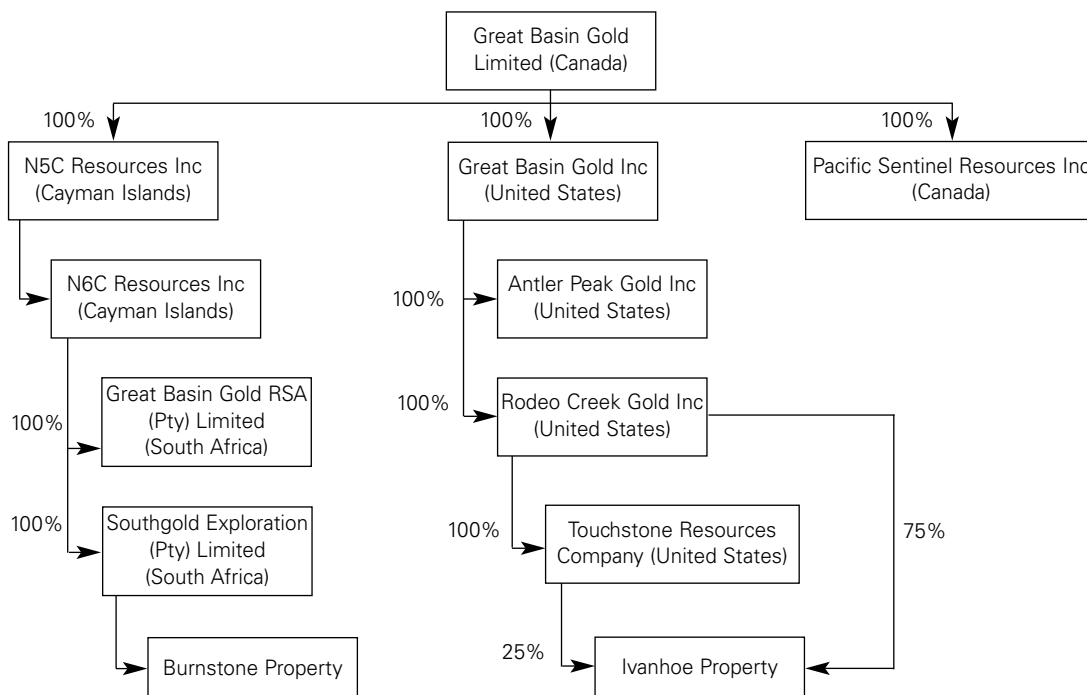
In terms of the Burnstone Feasibility Study, the Burnstone Project, at an assumed gold price of US\$450 per oz, results in an estimated pre-tax and 100% equity financed model of (see Chapter 19 of Annexure 2 hereto):

- a 14-year life of mine, including a four-year pre-operation period;
- an average annual production of 214,000 oz of gold at full production;

- a capital cost of US\$144.5 million;
- an operating cost of US\$36.63 per ton milled;
- a cash cost of US\$254.42 per oz gold; and
- capital and operating costs of US\$323.11 per oz gold.

1.4 Group structure

1.4.1 *The Company operates directly and through its subsidiaries as follows:*



1.4.2 *Overview of subsidiary companies*

GBG RSA and Southgold are both wholly-owned subsidiaries of N6C Resources Inc., which in turn is owned by N5C.

The Burnstone Project is held through Southgold and any production going forward will be undertaken by Southgold. GBG RSA was initially set up to facilitate the group's entry into South Africa.

Great Basin Gold Inc. is a wholly-owned subsidiary of Great Basin and owns 100% of Rodeo Creek Gold Inc., which in turn owns 100% of Touchstone. The Hollister Property is held through these latter subsidiaries.

2. RISKS

2.1 Introduction

The risks set out below are not exhaustive but are illustrative of the kinds of risks that face gold companies as a whole in the South African and North American environments. An investment in the Company's ordinary shares is highly speculative and subject to a number of risks. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described below and the other information that the Company files with the Securities and Exchange Commission, Canadian securities regulators and the South African securities regulators before investing in the Company's ordinary shares. Additional risks that the Company is aware of or that the Company currently believes are immaterial may become important factors that affect its business and consequently an investors' investment.

The commercial viability of a mineral deposit is dependent upon a number of factors. These include deposit attributes such as size, grade and proximity to infrastructure, current and future metal prices (which can be cyclical), and government regulations, including those relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and necessary supplies and environmental protection. The complete effect of these factors, either alone or in combination, cannot be entirely predicted, and their impact may result in the Company not receiving an adequate return on invested capital.

The figures for mineral resources included herein are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realised. Market fluctuations and the prices of metals may render resources uneconomic. Moreover, short-term operating factors relating to the mineral deposits, such as the need for orderly development of the deposits or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

2.2 **Gold price volatility**

The market price of gold is set in international markets over which the Company has no control. It is volatile and cannot be predicted. If the price of gold drops significantly, the value of the Company's properties and securities could be significantly reduced. Gold prices have fluctuated widely in recent years. The market and price of gold is also affected by numerous other factors, the effect of which cannot be predicted. These include:

- the relative strength of the U.S. dollar against other currencies;
- government central bank sales or lending of gold bullion, and perceptions of their future intentions;
- government monetary and fiscal policies;
- expectations of the future rate of inflation and interest rates;
- general economic conditions and the perception of risk in equity and capital markets;
- political conditions including the threat of terrorism or war and restrictions on holding of gold;
- speculative trading and hedging policies;
- fabrication demand by the jewellery industry;
- investment demand for gold; and
- supply of gold from primary mine production, disinvestments and scrap recycling.

2.3 **Risks related to South Africa**

A substantial part of Great Basin's properties and operations are located in South Africa and are exposed to the political and economic risks relating to South Africa. These risks may include political and economic uncertainty and related currency fluctuations.

2.3.1 **Exchange Control Regulations**

South African law provides for exchange control regulations which restrict the export of capital from the Common Monetary Area, which includes South Africa, subject to SARB dispensation. These regulations apply to transactions involving South African residents, including both natural persons and legal entities. These regulations also affect the Company's ability to borrow funds from non-South African sources for use in South Africa or to repay these borrowings from South Africa and, in some cases, the Company's ability to guarantee the obligations of any subsidiaries, which may be formed by the Company from time to time, with regard to these borrowings. The government has expressed an intention to gradually relax exchange control regulations with a view to ultimately doing away with exchange control.

2.3.2 **Mining Legislation**

The Company's business could be adversely affected by changes in government regulations relating to exploration, mining and the environment. In order to maintain security of tenure of its mineral properties, the Company will be obliged to comply with the MPRDA, the associated regulations and the socio-economic scorecard. As a result of this new legislation, the South African government exercises control over the granting of prospecting

and mining rights, beneficiation, mineral exports and taxation. Applicants for prospecting and mining rights are required to demonstrate their eligibility based on their compliance with a number of black economic empowerment criteria. These include factors such as ownership, employment equity, human resources development and procurement policy.

The Burnstone Project consists of a number of old order prospecting rights. The Company applied timely for conversion of these old order prospecting rights constituted in terms of the MPRDA. The DME accepted these applications and the old order rights continue to be in force until they are converted to new order mining rights. The granting of these prospecting rights, will give the Company an uncontested right to apply for mining rights for the Burnstone Project.

To date, the DME has approved the conversion of three of the seven old order prospecting rights that the Company applied for into new order prospecting rights – each one expiring within a period of 5 years. One of these new order prospecting rights, namely MP/30/5/1/2/2/1218 PR, comprises a major portion of the proposed mining area 1, as referred to in the Burnstone Project Feasibility Study (attached hereto as Annexure 2).

The remaining rights are expected to be converted within two months of listing, as advised by the DME.

In terms of the Royalty Bill, the proposed state royalties payable on the gross sales value of mineral resources from mining operations in South Africa:

- (a) 3% for refined platinum and 1,5% for refined gold; and
- (b) 6% for unrefined platinum and 3% for unrefined gold.

The royalties will be tax deductible. In addition, a special relief system has been created for marginal mines.

2.3.3 ***Compliance with Black Economic Empowerment Initiatives***

Great Basin is required to comply with local procurement, employment equity, ownership and other regulations which are designed to redress historical social and economic inequalities and ensure socio-economic stability. The Company embraces and will participate in initiatives intended to redress historical social and economic inequalities. The Company considers these initiatives to be a strategic imperative and the Company recognizes the risk of not vigorously pursuing them or of them not succeeding.

In October 2002, the government and representatives of South African mining companies and mineworkers' unions reached broad agreement on the Charter, designed to facilitate the participation of HDSAs in the country's mining industry. Non-compliance with the provisions of the Charter could lead to loss of mining and related rights.

The Charter's stated objectives include the:

- expansion of opportunities for persons disadvantaged by unfair discrimination under the previous political dispensation;
- expansion of the skills base of such persons;
- promotion of employment and advancement of the social and economic welfare of mining communities; and
- promotion of beneficiation within South Africa.

The Charter requires mining companies to ensure that HDSAs hold at least 15% ownership of mining assets or equity in South Africa within five years and 26% ownership within 10 years from the effective date of the MPRDA. The Charter further specifies that the mining industry is required to assist HDSAs in securing financing to fund their equity participation up to an amount of ZAR100 billion within the first five years after the implementation of the aforementioned Act. Beyond this ZAR100 billion commitment, the Charter requires that participation of HDSAs should be increased towards the 26% target on a willing buyer – willing seller basis.

2.3.4 ***Environmental risks and rehabilitation liability***

The operations of Great Basin are subject to South African environmental legislation and regulations, specifically the MPRDA and NEMA. Of these, the provisions of NEMA are particularly far-reaching. It has been speculated that this Act may have introduced the principle of strict liability with respect to the causation of environmental impacts. The relevant provisions of NEMA, however, still need to be interpreted by the South African courts.

In terms of the provisions of the MPRDA, companies that undertake mining activities must make financial provision for rehabilitation liabilities.

2.4 **Risks related to North America**

A substantial portion of the Company's assets are located in jurisdictions outside of the United States. As a result, it may be difficult for investors in the United States to enforce judgements obtained against the Company in the United States. Operations may be affected in varying degrees by government regulations in both the United States (in respect of the Hollister Property) and South Africa (in respect of the Burnstone Project) with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The Company will be dependent on its actual and potential joint venture partners for the development of certain its properties. Currently Hecla is earning in on the Company's HDB Project. The Company will hold a significant portion of its assets in the form of participation interests in a joint venture with Hecla. Hecla is currently the operator on the HDB Project, and will continue to be the operator if Hecla completes its earn-in. The Company's interest in this project is subject to the risks normally associated with the conduct of joint ventures. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company's profitability or the viability of the interests held through joint ventures, which could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition: (i) disagreement with joint venture partner(s) on how to proceed with exploration programs and how to develop and operate mines efficiently; (ii) inability of joint venture partner(s) to meet their obligations to the joint venture or third parties and (iii) litigation between joint venture partner(s) regarding joint venture matters.

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire properties in the future will depend not only on the Company's ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration.

The Company conducts operations in currencies other than Canadian dollars. Of particular significance is the fact that its operations in South Africa are almost entirely paid for in South African rand, which has historically devalued against the United States dollar. Strength in the South African rand against the United States dollar, however, will negatively impact the potential profitability of the Company's mining operations. The market price of gold and copper are typically denominated in the United States dollar and, accordingly, the Company's revenues will be denominated and paid in US\$. In contrast, most South African expenses are and will be payable in ZAR.

The Company's share price has historically been volatile. The market price of publicly traded shares, especially of an emerging mining company like the Company, is affected by many variables not directly related to the company's exploration success, including the market for junior resource shares, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the share. The effect of these and other factors on the market price of the ordinary shares on the stock exchanges on which the Company trades suggest its shares will continue to be volatile.

2.5 High inflation and interest rates

Whilst over recent years, rates of inflation and interest have been at relatively low levels, the economy of South Africa, though currently well managed, has at various times in the past experienced high rates of inflation and high interest rates compared to the United States and Europe. Should these conditions recur, this would increase the Company's costs and decrease its operating margins. High interest rates could adversely affect its ability to ensure cost-effective debt financing in South Africa.

3. PURPOSE OF THE LISTING ON THE JSE

Great Basin wishes to obtain a secondary listing of its ordinary shares on the JSE due to the various strategic benefits that this could provide to Great Basin.

The main purposes of the listing on the JSE are to:

- provide a further funding mechanism through which Great Basin can structure and fund opportunities in the Gold sector in both South Africa and southern Africa, thereby facilitating growth;
- enhance South African investors' awareness of Great Basin, thereby enlarging Great Basin' investor base and increasing trade in its shares; and
- facilitate direct investment by South African residents in Great Basin, resulting in greater liquidity in Great Basin's shares.

The purpose of this Pre-listing Statement is to:

- provide the South African investment community with information relating to Great Basin, its operations and its directors and management; and
- set out historical financial information relating to Great Basin, so as to enable Great Basin to obtain a listing of its ordinary shares on the JSE.

4. OVERVIEW OF ASSETS

Hollister Property

From 1997 to 1999, the Company acquired 100% working interest in the Hollister Property. In terms of the acquisition agreement, Newmont agreed to manage and complete an approved mine closure plan for the 1.1 square mile area of former mining operations. In addition, and as part of the agreements with Newmont, Great Basin is to share in Newmont's reclamation costs for previous mining activities at the Hollister Property. This will be done on the basis of one third of such expenditure over US\$4.5 million, but less than US\$6 million and 25% of expenditures over US\$6 million. With regards to the purchase agreement with Newmont, Newmont retains 62% of the Hollister Property mining claims (called 'the Reclamation Area') until reclamation is completed. At this time Great Basin will have the option, but not the obligation, to accept the Reclamation Area.

During 1999 the cumulative reclamation expenditures exceeded US\$6 million and as required by the agreement, the Company contributed 25% of the excess from 1999 to 2005, totalling US\$82,805.

Burnstone Project

The Burnstone Project is situated north west of Balfour, in the South Rand goldfields of the Witwatersrand gold-bearing formations. Over the last two years scoping and pre-feasibility studies were completed on the mining operations of the Kimberley reefs in the project area. A feasibility study was initiated for the Burnstone Project in early 2005, and the results were announced in the Burnstone Feasibility Study on 10 May 2006.

A number of potential risks associated with the geology of the deposit were identified at the pre-feasibility study stage of the project. The risks identified were:

- the processing characteristics of the ore such as reagent consumption and overall gold recovery; and
- the amount of minor faulting which is not possible to predict from the exploration drilling results.

The mining of an initial bulk sample will allow the risks detailed above to be quantified and the correct designs to mitigate them to be put in place prior to development of the mine. It also will allow the mining method to be tested and proven prior to the commencement of major development of the mining blocks in the project area and will increase the level of confidence in the success of the project.

The Burnstone Project's assets comprise a number of old order prospecting rights that were timely extended in terms of the provisions of the MPRDA and for which application has been made to the DME for the conversion of those rights into new order prospecting rights. All the applications for conversion of old order prospecting rights were accepted by the DME and the conversion of these new order rights is pending. In terms of legal opinions obtained by Great Basin, there are no legal reasons why these rights should not be converted and it is anticipated that the outstanding rights will be converted within two months from listing. The extent of these old order prospecting rights are approximately 30,000 hectares.

On 28 June 2006 the Company obtained confirmation from the DME that the Company's old order rights are sufficient to allow the Company to sink a prospecting decline. Construction of the portal commenced on or about 7 July 2006.

A portion of the Burnstone Project is subject to a 2% net smelter royalty in favour of GFL. This comprises 2% (at a gold price of above US\$450) of approximately 764,211 oz of gold produced.

5. **FUTURE PROSPECTS**

The directors of Great Basin intend to move the Company from an advanced exploration company to a mid-tier gold producer within three years through a well-defined strategy of:

- developing its highly prospective projects into high margin productive units;
- acquiring prospective companies and/or assets; and
- continual increasing of its resource base through focused exploration programmes.

The opinion of the directors is based on the results of the HDB Preliminary Assessment and the Burnstone Feasibility Study, attached as Annexures 1 and 2 to this Pre-listing Statement.

6. **FINANCIAL INFORMATION**

6.1 **Historical financial information**

The audited consolidated historical financial information of Great Basin for the past three financial years ended 31 December 2005 is attached as Annexure 3 to this Pre-listing Statement. The reviewed financial information for the period commencing 1 January to 30 June 2006 is attached as Annexure 5 to this Pre-listing Statement. Great Basin's management is responsible for the accuracy of the audited and reviewed financial information.

6.2 **Material capital commitments**

The material capital commitments of Great Basin as at 31 December 2005, being the end of Great Basin's immediately preceding financial year, are disclosed in the consolidated financial statements of Great Basin and are set out in Annexure 3. No material capital commitments were undertaken by the company in the period commencing 1 January to 30 June 2006, being Great Basin's most recent interim period.

No material capital commitments have been undertaken by the Company since 30 June 2006.

6.3 **Lease and other payments**

Great Basin is liable for the following payments:

- the lease of its South African offices in Sandton at approximately ZAR600,000 per annum. This agreement will lapse on 30 August 2007; and
- the BLM and Elko County (Nevada State Fee) for the North American assets of approximately US\$117,492.00 per annum, i.e. US\$125.00 per claim to the BLM and US\$8.50 per claim to Elko County (State Fee) plus a US\$4.00 per document (claim) filing fee. These costs may be subject to change in future.

Great Basin has no property under leasehold.

6.4 **Contingent liabilities**

North America

The contingent liabilities of Great Basin as at 31 December 2005, being the end of Great Basin's immediately preceding financial year, are disclosed in note 5a to the consolidated financial statement set out in Annexure 3. There are no contingent liabilities for the period commencing 1 January to 30 June 2006, being Great Basin's most recent interim period.

South Africa

Prior to the commencement of the MPRDA the Company concluded prospecting contracts that included options to acquire mineral rights. These rights comprised approximately 2,450 hectares and relate to the second phase of the mining plan of the Burnstone Project.

These prospecting contracts were later amended to extend the contracts and it was acknowledged that the MPRDA was likely to become effective during the existence of the agreements. The amendments also provided that should the mineral rights lapse during the period of the agreement so that Great Basin is not able to exercise the option to purchase the mineral rights, Great Basin would nevertheless pay the purchase price should a mining right be granted to Great Basin by the DME over these properties. The potential purchase price is ZAR4,901,885.

6.5 **Material borrowings and loans receivable**

6.5.1 ***Borrowings***

At the last practicable date Great Basin had no borrowings. No debentures or debt instruments have ever been issued by Great Basin or any of its subsidiaries.

As at the last practicable date the Company had no loan capital outstanding.

6.5.2 ***Loans receivable***

As at the last practicable date no material loans were made by the Company.

6.5.3 ***Material inter-company finance***

See related party transactions as set out in note 7 to the consolidated financial statement set out in Annexure 3.

Save for the transactions set out in note 7 of Annexure 3, the Company has had no material inter-company financing.

6.6 **Dividends and dividend policy**

Dividends will only be considered by the Board from such time as Great Basin shall have achieved a positive cash flow. Until such time all earnings generated will be utilised to fund prospecting, growth and development. No shares have any entitlements as to dividends. There are no arrangements between the Company and any other party in terms of which future dividends on shares have been waived or have been agreed to be waived.

6.7 **Statement as to working capital**

The company had working capital of approximately \$17.3 million (ZAR94.1 million) at 31 December 2005 which was sufficient to fund its proposed 2006 exploration programs, and its operating costs and working capital during 2006. During May (and closing in July) 2006 the Company raised approximately \$31 million by issuing a further 11,200,000 shares (gross \$25.2 million) through a short-form prospectus offering and 3,333,334 shares (gross \$7.5 million) through private placement. The said \$31 million will fund the first development phases of the Burnstone and the HDB Projects. The directors of Great Basin are of the opinion that the issued share capital of Great Basin group and the Great Basin group's working capital resources are adequate for its current requirements and for at least the next 12 months following the date of this Pre-listing Statement.

6.8 Share options

Options granted by the Company are in terms of the Company's share option plan which plan is available for inspection as per paragraph 31. In terms of the share option plan, 8,651,000 options were issued as at the last practicable date.

7. MINERAL RESOURCES AND RESERVES, MINERAL AND SURFACE RIGHTS AND ENVIRONMENTAL MANAGEMENT

Summaries of the Company's mineral resources and reserves are set out in:

- Chapter 19 of Annexure 1 for the HDB Preliminary Assessment;
- Chapter 19 of Annexure 2 for the Burnstone Feasibility Study.

8. SURFACE RIGHTS IN RESPECT OF THE BURNSTONE PROJECT

The Company has secured the surface rights comprising the total proposed mining area by way of options to purchase. These options have been exercised and the transfers of the surface rights into the name of Southgold are pending. The land in question comprises approximately 2,273 hectares.

9. REGULATORY DEVELOPMENTS IN THE JURISDICTIONS IN WHICH THE GREAT BASIN GROUP OPERATES

9.1 North America

Great Basin shares in Newmont's reclamation costs for past mining at the Hollister Property on the basis as set out in paragraph 4. Newmont will manage reclamation, and surface use in and around the HDB Project area, until reclamation is completed. The reclamation is subject to a reclamation bond of US\$7 million held by the NDEP, who must approve the release of the bond to Newmont on satisfactory completion of the reclamation.

Great Basin has access to explore within the reclaimed areas, subject to Newmont's determination that such activities do not interfere with reclamation. Newmont's consent has been obtained expeditiously in all cases to date. Great Basin continues to carry out reclamation on its exploration sites, subject to the required reclamation bond in favor of the NDEP.

9.2 South Africa

9.2.1 *Mineral and Petroleum Resources Development Act*

In terms of the previous regulatory regime in South Africa, mineral rights (which encompass the right to prospect and mine minerals) were held privately or in some instances by the government. The MPRDA, which became effective on 1 May 2004, now vests the right to prospect and mine in the state.

Transitional provisions are included in the MPRDA which allow mining companies to convert their existing old order rights to prospect and mine to the new rights introduced by the MPRDA.

The transitional provisions contemplate three categories of old order rights, namely:

- unused old order rights, which are mineral rights in respect of which no prospecting permit or mining authorisation has been issued under the now repealed Minerals Act No. 50 of 1991 ("Minerals Act"), or where such an issue has occurred, no prospecting or mining activities took place as at 1 May 2004;
- old order prospecting rights, which are rights to prospect in respect of which a prospecting permit was issued under the Minerals Act and prospecting as at 1 May 2004; and
- old order mining rights, which are rights to mine in respect of which a mining authorisation was issued under the Minerals Act and mining took place as at 1 May 2004.

With regard to old order prospecting rights and old order mining rights, any underlying rights to prospect or mine and prospecting permits or mining authorisations granted under the Minerals Act will continue to be valid for the period granted under the old legislation, subject

to a maximum period of two and five years, respectively. In order to continue with their mining or prospecting operations, the holders of old order prospecting and mining rights have to apply for the conversion of the rights that they had previously held under the Minerals Act to the new form of prospecting or mining rights to be issued under the MPRDA within the aforementioned periods. Application was made by Great Basin within one year of 1 May 2004 for the rights to be converted.

Under the MPRDA, prospecting rights will initially be granted for a maximum period of five years, and can be renewed once, upon application, for a further period not exceeding three years. Mining rights will be valid for a maximum period of 30 years and can be renewed upon application for further periods each which may not exceed 30 years. Provision is made for the granting of retention permits in circumstances where prospecting has been completed but mining is not commercially viable, which will have a maximum term of three years and are not renewable. A wide range of factors and principles, including proposals relating to BEE and social responsibility and evidence of an applicant's ability to conduct mining optimally, will be pre-requisites for these applications.

9.2.2 **The Mining Charter**

The MPRDA contains a provision requiring the Minister of Minerals and Energy to develop the Charter within six months of the relevant provision becoming operational. Consequently, the South African Government appointed a task team to develop the Charter, which was signed on 11 October 2002 by the Minister of Minerals and Energy, representatives of the mining industry and the National Union of Mineworkers.

The Charter embraces a range of criteria against which prospecting and mining rights applications and conversion applications will be considered. These criteria include issues such as human resources development, employment equity, procurement, community and rural development and black ownership of mining assets.

On the issue of ownership specifically, the Charter requires that mining companies achieve 15% black ownership of mining assets within five years and 26% black ownership of mining assets within 10 years. The Charter envisages that transactions pursuant to the required black ownership status will take place in a transparent manner and for fair market value, with stakeholders meeting after five years to review progress in achieving the 26% target. Under the Charter, the mining industry as a whole agrees to assist HDSA's in securing financing to fund participation in an amount of ZAR100 billion over the first five years. Beyond the ZAR100 billion commitment, black participation will be increased on a willing-seller willing-buyer basis, at fair market value, where the mining companies are not at risk.

When considering applications for the conversion of old order rights, the government will take a "scorecard" approach to the different facets of promoting the objectives of the Charter. The DME promulgated the scorecard along with the Charter.

The scorecard covers human resources development, employment equity, migrant labour, mine community and rural development, housing and living conditions, ownership and joint ventures, beneficiation and reporting. The scorecard does not indicate the relative significance of each item, nor does it provide a particular score which an applicant must achieve in order to be in compliance with the Charter and be granted new rights in terms of the MPRDA (except in the area of ownership as discussed above).

9.2.3 **Royalty Bill**

In terms of the Royalty Bill, the proposed state royalties payable on the gross sales value of mineral resources from mining operations in South Africa:

- (a) 3% for refined platinum and 1,5% for refined gold; and
- (b) 6% for unrefined platinum and 3% for unrefined gold.

The royalties will be tax deductible. In addition, a special relief system has been created for marginal mines.

10. DIRECTORS AND SENIOR MANAGEMENT

10.1 Directors

| Name and nationality | Business address | Occupation/ function | Date of appointment as Director |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------------|
| Ferdinand Dippenaar South African | 138 West Street Sandown Sandton | Chief Executive Officer | December 2005 |
| Jeffrey R. Mason Canadian | Suite 1020 800 Pender West Street Vancouver British Columbia | Chief Financial Officer | February 1994 |
| Robert A. Dickinson* Canadian | Suite 1020 800 Pender West Street Vancouver British Columbia | Co-Chairman | May 1986 |
| Ronald W. Thiessen* Canadian | Suite 1020 800 Pender West Street Vancouver British Columbia | Co-Chairman | October 1993 |
| David J. Copeland* Canadian | Suite 1020 800 Pender West Street Vancouver British Columbia | Director | February 1994 |
| Non-executive directors | | | |
| Patrick R. Cooke South African | Pangea DiamondFields PLC Unit C, Central Park Office Suites Corner Main Street and Orchard Avenue Bordeaux Randburg South Africa | Director | April 2006 |
| T. Barry Coughlan Canadian | Suite 1020 800 Pender West Street Vancouver British Columbia | Director | February 1998 |
| Scott D. Cousens Canadian | Suite 1020 800 Pender West Street Vancouver British Columbia | Director | March 1993 |
| David M.S. Elliott Canadian | 311 West 42nd Avenue Vancouver British Columbia V6N 3H1 | Director | July 2004 |
| H. Wayne Kirk American | 6 Morgan Lane San Rafael, CA 94901 USA | Director | July 2004 |

| Name and nationality | Business address | Occupation/ function | Date of appointment as Director |
|----------------------------------|------------------------------------------------------------------------------|---------------------------------|------------------------------------------------|
| Sipho A. Nkosi South African | 80 Marshall Street Johannesburg South Africa | Director | August 2003 |
| Walter T. Segsworth Canadian | 5746 Maple Place West Vancouver, BC V7W 1R9 | Director | January 2003 |
| Robert G. Still South African | Pangea House C/o Main and Orchard Bordeaux Randburg South Africa | Director | August 2003 |

* In the Form 40-F these directors are described as executive directors even though they are not directly involved in the day-to-day running of the Company.

The names, functions, ages, nationalities, business addresses, qualifications, other directorships and experience of the directors of Great Basin are set out below. Save where indicated, each director and senior officer of Great Basin has held the same or similar principal occupation with the Company indicated or a predecessor thereof for the last five years.

The profiles of the executive and non-executive Directors of Great Basin are as follows:

10.2 Executive directors

Ferdinand Dippenaar – Chief Executive Officer and Director (45)

Ferdinand Dippenaar is a resident of South Africa and is a well-known member of the gold mining industry in South Africa. He holds Bachelors of Commerce and Procurator Degrees, and an MBA from North West University in South Africa.

Ferdi Dippenaar started his career at the Buffelsfontein Gold Mine in 1982 and was employed in various financial and administrative capacities at the Gengold mines. In 1996, he became managing director of Grootvlei and of East Rand Proprietary Mines. Following Harmony's acquisition of Grootvlei and Consolidated Modderfontein Mines Limited, he was appointed marketing director of Harmony in 1997, overseeing Harmony's service delivery departments, corporate affairs and the company's investor relations. Most recently he was the executive director of corporate affairs for Harmony.

Ferdi was appointed director, president and chief executive officer of Great Basin in December 2005. In addition to his role with Great Basin, Ferdi serves as executive advisor to other Hunter Dickinson managed companies. He was until 2005 a director of Harmony.

Jeffrey R. Mason – Director, Chief Financial Officer and Secretary (49)

Jeffrey R. Mason holds a Bachelor of Commerce degree from the University of British Columbia and obtained his chartered accountant designation while specialising in the mining, forestry and transportation sectors at the international accounting firm of Deloitte & Touche. Following comptrollership positions at an international commodity mercantile and Homestake Mining Group of companies including responsibility for North American Metals Corp. and the Eskay Creek Project, Jeffrey has spent the last several years as a corporate officer and director to a number of publicly-traded mineral exploration companies. He is also employed as chief financial officer of Hunter Dickinson Inc. and his principal occupation is the financial administration of the public companies to which Hunter Dickinson Inc. provides services.

Jeffrey is also currently an officer and director of Amarc Resources Limited, Anoroq Resources Corp, Continental Minerals Corp, Farallon Resources Limited, Northern Dynasty Minerals Limited, Quartz Mountain Resources Limited, Rockwell Ventures Inc and Taseko Mines Limited.

Robert A. Dickinson – Co-Chairman of the Board and Director (57)

Robert A. Dickinson is an economic geologist who serves as a member of management of several mineral exploration companies, primarily those for whom Hunter Dickinson Inc. provides services. He holds a Bachelor of Science degree (Hons. Geology), and a Master of Science degree (Business Administration – Finance) from the University of British Columbia. He has also been active in mineral exploration for over 40 years. He is a director of Hunter Dickinson Inc, the president and director of United Mineral Services Limited, a private investment company, and the co-chairman and director of Gibraltar Mines Limited, a private mining company, which is a wholly owned subsidiary of Taseko Mines Limited.

Robert is also a director of Amarc Resources Limited, Anoroaq Resources Corp, Continental Minerals Corp, Farallon Resources Limited, Northern Dynasty Minerals Limited, Rockwell Ventures Inc and Taseko Mines Limited.

Ronald W. Thiessen – Co-Chairman of the Board and Director (53)

Ronald W. Thiessen is a chartered accountant with professional experience in finance, taxation, mergers, acquisitions and re-organisations. Since 1986, Ron has been involved in the acquisition and financing of mining and mineral exploration companies. He is employed by Hunter Dickinson Inc., a company providing management and administrative services to several publicly-traded companies and focuses on directing corporate development and financing activities. He is also a director of Hunter Dickinson Inc.

Ronald is, or was within the past five years, an officer and director of Great Basin, Amarc Resources Limited, Anoroaq Resources Corp, Casamiro Resource Corp., Continental Minerals Corp, Farallon Resources Limited, Northern Dynasty Minerals Limited, Quartz Mountain Resources Limited, Rockwell Ventures Inc. and Taseko Mines Limited.

David J. Copeland – Director (58)

David J. Copeland is a geological engineer who graduated in economic geology from the University of British Columbia. With over 30 years of experience, Dave has undertaken assignments in a variety of capacities in mine exploration, discovery and development throughout the South Pacific, Africa, South America and North America. His principal occupation is president and director of CEC Engineering Limited, a consulting engineering firm that directs and co-ordinates advanced technical programs for exploration on behalf of Great Basin and other companies for which Hunter Dickinson Inc. provides services. He is also a director of Hunter Dickinson Inc.

David is also at present an officer and/or director of Amarc Resources Limited, Continental Minerals Corporation, Farallon Resources Limited, Northern Dynasty Minerals Limited and Taseko Mines Limited, and was previously a director of Anoroaq Resources Corporation and Casamiro Resource Corp until 2004 and 2002, respectively.

Non-executive directors

Patrick R. Cooke – Director (52)

Patrick Cooke is a South African resident and received his chartered accountant designation in South Africa in 1981. After qualifying as a chartered accountant he worked as a management consultant with one of the large accounting companies as well as working for a merchant bank. He has been responsible for listing two companies on the main board of the JSE and was the financial director of a third JSE listed company. His industry experience is wide having been involved in information technology, FMCG, financial services and professional services companies. He has been involved with the Pangea Group initially as a consultant on the Burnstone Project and the vending of that project to financial director of Pangea Exploration (Pty) Limited and Pangea DiamondFields Plc.

T. Barry Coughlan – Director (61)

T. Barry Coughlan is a self-employed businessman and financier who over the past 23 years has been involved in the financing of publicly traded companies. His principal occupation is president and director of TBC Investments Limited, a private investment company.

Barry is currently an officer and director of Farallon Resource Limited, Icon Industries Limited, Quartz Mountain Resources Limited, Taseko Mines Limited and Tri-Gold Resources Corp (formerly Tri-Alpha Investments Limited.) and was a director of AMS Homecare Inc and Casamiro Resource Corp until 2004 and 2002, respectively.

Scott D. Cousens – Director (42)

Scott D. Cousens provides management, technical and financial services to a number of publicly traded companies. Scott's focus since 1991 has been the development of relationships within the international investment community. Substantial financings and subsequent corporate success has established strong ties with North American, European and Asian investors. In addition to financing initiatives he also oversees the corporate communications programs for the public companies to which Hunter Dickinson Inc. provides services.

Scott is currently an officer and director of Amarc Resources Limited, Anoroaq Resources Corp, Continental Minerals Corp, Farallon Resources Limited, Northern Dynasty Minerals Limited, Rockwell Ventures Inc and Taseko Mines Limited.

David Elliott – Director (61)

David Elliott graduated from the University of British Columbia with a Bachelor of Commerce degree and then acquired a chartered accountant designation with KPMG LLP. David joined BC Sugar Company in 1976, working in a number of senior positions before becoming president and chief operating officer of the operating subsidiary, Rogers Sugar. In 1997, he joined Lantic Sugar in Toronto as Executive Vice President. He also served as chairman of the Canadian Sugar Institute. He became president and chief operating officer of the International Group based in St Louis, Missouri in 1999, a company involved with food distribution as well as manufacturing and distribution of pet and animal feed. For several years, he worked with companies developing e-mail and data management services. David also serves on the boards of the BC Cancer Foundation and the University of BC Alumni Association.

David is currently an officer and director of Anoroaq Resources Corp, Northern Dynasty Minerals Limited and Taseko Mines Limited.

H. Wayne Kirk – Director (63)

Wayne is a retired California state attorney and professional consultant. With over 35 years professional experience Wayne also has over nine years' senior executive experience in the mining industry.

Wayne is a citizen of the United States and is a resident of California. A Harvard University graduate, Wayne received his law degree in 1968. From 1992 to 2002 he was the vice president, general counsel and corporate secretary of Homestake Mining Company. Prior to his retirement in June 2004 he spent two years as special counsel for the law firm, Thelen Reid & Priest in San Francisco.

Wayne is a director of Anoroaq Resources Corp, Northern Dynasty Minerals Limited and Taseko Mines Limited.

Sipho A. Nkosi – Director (52)

Sipho A. Nkosi is a South African citizen and holds a Bachelor of Commerce degree from the University of Zululand and a Master of Business Administration from the University of Massachusetts in the eastern United States. He has extensive background in the mining and power industries. He is a founder, as well as chief executive officer, of Eyesizwe Coal (Pty) Limited ("Eyesizwe"), one of the country's largest coal producers. Prior to founding Eyesizwe in 2001, Sipho spent three years with Asea Brown Boveri Sub Sahara Africa (Pty) Limited and Alstom SA (Pty) Limited, initially as managing director of ABB Power Generation (SA), and then as country manager of ABB/Alstom Power until December 2000. From 1993 to 1997, he was marketing manager for Billiton Limited, an international mining company.

Sipho is currently also a director of Anoroaq Resources Corp.

Walter T. Segsworth – Director (57)

Walter T. Segsworth has been an active and respected member of the international mining industry for over 30 years. He has an excellent track record in employee safety, environmental excellence and turn around production situations. During Walter's tenure as president, chief operating officer and director at Homestake Mining Company, the Company set a 125 year gold production record and its operating costs reached 25-year lows. He is a past director and chairman of the Mining Associations of Canada and British Columbia, and was voted British Columbia Mining Industry Person of the Year in 1996. He is a member of the Canadian Institute of Mining, Metallurgy and Petroleum and until recently, was part of the Mining Curriculum Advisory Board of the Michigan Technological University, from which he earned his degree in Mining Engineering.

Walter is currently a director of Northern Dynasty Minerals Limited, Cumberland Resources, Expatriate Resources Limited, Plutonic Power Corporation and UEX Corp. He was previously an officer/or director of Homestake Mining Co. and Novagold Resources.

Robert G. Still – Director (50)

Robert G. Still is a South African resident and received his chartered accountant designation in South Africa in 1981. He has been an executive with the mining industry in South Africa for more than 20 years. He is currently chairman of Pangea Exploration (Pty) Limited.

Robert is a founding member of the board of directors of Zimbabwe Platinum Mines Limited, an Australian-based company that owns and operates a substantial platinum group metals mine in the Great Dyke region of Zimbabwe. He is a director of Metorex Limited, a mid-cap diversified miner listed on the JSE and London Stock Exchange, past chairman of the New Africa Mining Fund, past chief executive officer of Southern Mining Limited and is a director of Kimberley Diamond Company NL, listed on the ASX. Prior to 1997, Robert was a director for JCI Limited, one of the largest mining houses in South Africa and chief executive officer of Rhombus Exploration Limited from 1987 to 1995.

Robert is currently a director of Pangea DiamondFields Plc, Kimberley Diamond Company, Metorex Limited and Zimbabwe Platinum Miners Limited. He was previously chairman of Zimbabwe Platinum Miners Limited until 2004.

10.3 Corporate management of the Company

The Great Basin Management Team includes:

Ferdinand Dippenaar, the Chief Executive Officer (45)

Refer to the description in paragraph 10.2 above.

Johan Oelofse, the Chief Operating Officer (44)

Johan is a qualified mining engineer with 27 years' experience including working on projects in South Africa, Uganda, Mozambique, Argentina, Kentucky in the United States, Kazakhstan, Uzbekistan, Tajikistan, China, Malaysia, Indonesia and the DRC. Johan began his career in the South African gold mining environment and gained a working knowledge of all aspects of the industry and developed his excellent managerial and technical skills. He has a B Eng degree from Pretoria University in South Africa and an MSc Mining Engineering at Camborne School of Mines. Johan joined Great Basin as chief operating officer in March 2006.

Willie Beckmann, the Vice President: Business Services (47)

Willie is an admitted attorney, notary and conveyancer. He obtained the degrees B Juris LLB (1983) from the North West University. He started his career as an officer in the South African Defence Force where he gained extensive experience in administrative law, the drafting of legislation and the conducting and finalising of high level investigations. He joined the gold mining industry in 2002 as the group security manager of Harmony. He since then successfully founded the legal and compliance department overseeing the security, legal and enterprise-wide risk management functions of Harmony. Willie joined Great Basin in March 2006 responsible for the legal and compliance functions and business services.

Kgomotso Maaroganye, Corporate Social Responsibility Manager (40)

Kgomotso is the corporate social-responsibility manager of the Burnstone Project holds a BA degree from the University of Natal, and a BA Honours degree from the University of the North. She has been involved in public relations from 1991 when she joined the Mmabana Cultural Centre in Taung as a public relations practitioner. In 1999 she joined Makwetla and Associated as the account manager responsible for Nation Building projects. Thereafter Kgomotso joined Trade and Investment Limpopo as a communications manager. Here she was instrumental in overseeing the change in corporate identity and re-branding process of the Limpopo Province. She gained extensive experience in skills development training, including participation in the strategic investment promotion training programme presented by International Development Ireland Limited. She completed the strategic management course at Turfloop Business School in 2004 and the executive development programme of the Wits Business School in 2005. Kgomotso joined the Burnstone management team on 1 July 2006.

Tshepo Moncho, the Financial Manager (28)

Tshepo has a Bachelor of Commerce (Accounting) Degree from the University of the Witwatersrand, a Post-Graduate Diploma in accounting from University of Natal, Durban and an Advanced Certificate in auditing. He is a CA and is a member of the South African Institute of Chartered Accountants. Tshepo completed his articles with Deloitte & Touche and then joined the construction industry working for Grinaker – LTA Corporate office in the tax department. He then moved to Grinaker – LTA Construction Nigeria Limited for their building division in Lagos. He came back to South Africa as an internal auditor, handling operational risks audits. Tshepo joined HDI effective 1 May 2005. Tshepo provides financial and administration services to the South African subsidiaries of the Company and is appointed as financial manager.

Dawie Mostert, the Vice President: Human Capital (36)

Dawie's qualifications include PDM, PCM, MDP and a diploma in Labour Relations (DPLR) (Advanced Labour Law). He has approximately 16 years experience in the mining industry during which time he functioned in the following positions; human resources manager – acquisitions since 1998 – Harmony; mine manager – Elandsrand; executive training and people development; executive employee relations; executive human resources and executive new mines with Harmony. Dawie was appointed to the executive of Harmony in April 2002. As a Harmony executive, Dawie served on the boards of the South African Mathematics Foundation and the Mining Qualifications Authority (Mining SETA). He will be completing his MBA in 2006 and is responsible for establishing the human resources function of Great Basin.

Boniface Ngarachu, Change Management Specialist (44)

Boniface is a Masters Graduate in Business Administration from Ashridge Management College in the UK, a certified accountant, certified corporate secretary and a seasoned international business manager with experience in strategy and organisational change plus financial and operational management. He has a proven track record in supporting the growth of several multinational businesses. Boniface has had strategic business exposure to close to a dozen markets in Africa and Europe and thus able to operate across different cultures and markets. He has worked across diverse sectors and industry categories from the pharmaceuticals and healthcare industry, fast moving consumer goods industries, distribution companies, hospitality, banking, consulting, telecommunications, agriculture, asset management and corporate finance.

Zelda Smit – Chief Financial Officer (SA operations) (33)

Zelda qualified as a chartered accountant in 1997 and after completing her articles with PricewaterhouseCoopers, she worked within the financial services sector, primarily banking and insurance for five years. She was appointed as the treasurer of Harmony in January 2003. Zelda played a pivotal part and gained extensive experience in mergers, acquisitions, debt issuance, risk management and project development. Zelda served on the boards of Rand Mutual Assurance Limited as well as Kingfisher Insurance Company Limited and was the chairman of the Audit Committees of both Rand Mutual Assurance Limited and Minemed Medical Aid. Zelda also served as member of the technical committee of the Association of Corporate Treasurers of South Africa. Zelda

obtained a masters degree in financial management in 2005 from the University of Pretoria. She was appointed as chief financial officer of Great Basin (SA Operations) in October 2006.

Gernot Wober, Exploration Manager (40)

Gernot is a professional geologist with 23 years experience including working on projects in British Columbia, Yukon Territories, Northwest Territories, and Manitoba Canada, as well as in Alaska and Nevada in the United States. His career has also taken him to Mexico, Uruguay, Brazil, Eritrea and South Africa. Gernot began his career in British Columbia as a prospector and has worked for various companies on grass-roots projects then carried on to gain experience with various commodities in advanced-stage projects. He has good technical and management skills and is used to working with all types of disciplines in the advancement of projects through to feasibility stages. He has a B.Sc. Geology Major degree from the University of British Columbia in Canada and is a member of the Professional Association of Geoscientists of British Columbia.

The management team of the Burnstone Project:

Josiah Mashigo, General Manager (43)

Josiah has 14 years of post-graduate mining (BSc. Mining Engineering, Wits university) experience in the context of South Africa, at Goldfields Limited (Kloof Goldmine), South Africa as Unit Manager-Mining. Further to that Josiah worked at Goldfields Limited (Oryx & Driefontein Goldmine), South Africa as manager mining. Josh was thereafter appointed at Goldfields Limited (Driefontein Goldmine) as Project Manager where he focused on Project initiation and implementation. In 2004 he joined Anooraq Resources Corporation as mining engineer, working on feasibility and strategy studies including conceptual mining layouts. Josh has been appointed the general manager of the Burnstone mine.

Theresa Barnes, Project Accountant (41)

Theresa is the project accountant and procurement manager and has 13 years' experience in the field of mechanical engineering in the mining sector. For the past four years she was employed by Harmony in a cost saving project to review Harmony's expenses on steel and steel related projects. Subsequently, she was appointed as the engineering contracts manager at the procurement department of Harmony, after which she was appointed as the group repairs manager that involved the purchasing storing and reclamation of engineering equipment. Theresa was appointed to the Burnstone management team in early July 2006.

Dawn Black, Project Geologist (28)

Dawn graduated from the University of Port Elizabeth with a BSc Honours in geology and is currently enrolled for an MSc in Earth Science Practice Management at the University of Pretoria. She has four years work experience as a geologist and geotechnical engineer/rock engineer, with a focus on platinum in both underground and opencast operations. She played a technical role in ore reserve and resource evaluations, feasibility studies and market reviews for a junior diamond exploration company in Kimberley and a coal operation in Witbank. Dawn gained experience as an exploration geologist, with a primary focus on uranium and minor focus on gold and base metals in South Africa, Botswana and Namibia. Dawn was appointed to the Burnstone management team in July 2006.

Pierre Kotzé, Project Management consultant (49)

Pierre has 23 years of business management and business operations improvement experience in the fast moving consumer goods, food, steel, mining, vehicle assembly, information management and technology as well as government and local government industries. During 2003 and 2004, he was also interactively involved in government improvement work, where it involved the automated court process system, integrated justice system and the re-engineering and competence building of financial management throughout the justice department. As a qualified industrial and certified professional engineer, his core competencies are within supply chain strategy formulation, design and implementation; business process engineering; technology (SC, e-Commerce, business intelligence); business and operations rescue and turnaround; supported by proven improvement,

change management and project management methodologies. Pierre was appointed as a contractor on a fixed term period in May 2006 to establish a project management culture in the Burnstone Team.

The management team of the HDB Project:

Great Basin's chief operating officer, Johan Oelofse and its exploration manager, Gernot Wober were recently appointed to oversee Great Basin's interests in the HDB Project and liaise with Hecla on a bi-weekly basis regarding the execution of the project;

Directors of major operating subsidiaries:

Rodeo Creek Gold Inc

The following directors whose functions, ages, nationalities, business addresses, qualifications, other directorships and experience are referred to above in paragraph 10.1 are directors of Rodeo Creek, a major subsidiary of Great Basin:

- Robert A. Dickinson (President and Director);
- Jeffrey A. Mason (Secretary and Treasury);
- David J. Copeland (Director); and
- Ronald W. Thiessen (Director)

Southgold Exploration (Proprietary) Limited

The following directors whose functions, ages, nationalities, business addresses, qualifications, other directorships and experience are referred to above in paragraph 10.1 and 10.3 are directors of Southgold, a major subsidiary of Great Basin:

- David J. Copeland;
- Jeffery A. Mason;
- Ronald W. Thiessen;
- Ferdinand Dippenaar;
- Willie Beckmann; and
- Tshepo Moncho

10.4 DECLARATION BY DIRECTORS

None of the directors of Great Basin have:

- ever been convicted of an offence resulting from dishonesty, fraud and embezzlement;
- ever been adjudged bankrupt or have been sequestered in any jurisdiction;
- ever been party to a scheme of arrangement or have made any other form of composition with their creditors;
- at any time assigned their estate, suspended payment or compounded with their creditors;
- ever been found guilty in disciplinary proceedings by an employer or regulatory authority, due to dishonest activities;
- ever been barred from entry into any profession or occupation;
- ever been convicted in any jurisdiction of any criminal offence;
- ever acted as executive directors of any companies at the time of or within the 12 months preceding any of the following events in relation to such companies: receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with their creditors generally or any class of creditors;
- ever been disqualified by a court from acting as a director of a company, or from acting in the management or conduct of the affairs of any company; or
- ever been the subject of public criticisms by statutory or regulatory authorities, including recognised professional bodies.

11. QUALIFICATION, REMUNERATION, BORROWING POWERS AND APPOINTMENT OF DIRECTORS

11.1 Extracts from the articles of association or relevant provisions from the by-laws of Great Basin relating to directors

Articles 13 to 18 of the articles of association of the Company, attached in Annexure 10, contain provisions relating to number of directors, remuneration, changes to the number of directors, qualifications and gratuity, pension or allowance on retirement for the directors of Great Basin.

11.2 Appointment of directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual general meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. Directors are appointed until the next annual general meeting.

11.3 Term of office of directors

In terms of section 14.1 of Great Basin's articles of association, at every annual general meeting, the shareholders are entitled to vote and elect, by way of a Unanimous Resolution, a board of directors. All the directors cease to hold office immediately before the election or appointment of directors, but are eligible for re-election or re-appointment. Directors are therefore re-elected at every annual general meeting.

11.4 Qualifications of directors

In terms of section 13.4 of the articles of association of Great Basin, a director must be qualified as required by the BCA. Section 124 of the BCA determines that a person must not act as a director unless that person is qualified to do so. The BCA then stipulates the following for those persons that would not qualify as directors:

- any person under the age of 18 years;
- any person found by a court, in Canada or elsewhere, to be incapable of managing the individual's own affairs;
- any person who is an undischarged bankrupt;
- any person who is convicted in or out of British Columbia of an offence in connection with the promotion, formation or management of a corporation or unincorporated business, or of an offence involving fraud, unless:
 - (i) the court orders otherwise,
 - (ii) five years have elapsed since the last to occur of:
 - (a) the expiration of the period set for suspension of the passing of sentence without a sentence having been passed;
 - (b) the imposition of a fine;
 - (c) the conclusion of the term of any imprisonment; and
 - (d) the conclusion of the term of any probation imposed, or
 - (iii) a pardon was granted or issued under the *Criminal Records Act* (Canada)
- A director who ceases to be qualified to act as a director of a company must promptly resign.

In addition, Great Basin's Governance Manual determines that directors should be qualified to contribute to the effective oversight of the management of the Company, taking into account the needs of the Company and the individuals' background, experience, perspective, skills and knowledge that are appropriate to the Company.

11.5 Orientation of directors

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

11.6 **Borrowing powers of directors**

The directors' borrowing powers may only be varied by way of a special resolution passed by the shareholders of Great Basin in a general meeting. No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end most recently completed financial year or as at the date hereof.

In terms of section 8.1 of Great Basin's articles of association the Company may, if authorised by the Board:

- borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the Board deems appropriate;
- issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the Board considers appropriate;
- guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertakings of the Company.

The Company has not borrowed any funds or engaged in any of the activities outlined above during the past three years, nor does the Company have any loan capital outstanding.

11.7 **Directors' emoluments**

The Board is responsible for determining and reviewing compensation arrangements for the directors with the guidance of the Compensation Committee. The Board assesses the appropriateness of the nature and amount of emoluments of the directors on an annual basis by reference to industry and market conditions. In determining the nature and amount of directors' emoluments, the Board takes into consideration the company's financial and operational performance.

No fees have been paid, accrued or proposed to be paid by Great Basin to any third party in lieu of directors' fees. Furthermore, no payment has been made to any director or proposed director in the three years preceding the date of issue of this Pre-listing Statement of Great Basin as an inducement to become a director.

There will be no variation in the remuneration receivable by any of the directors of Great Basin as a consequence of the listing.

Details of the nature and amount of each element of the emolument of each director of Great Basin during the financial period ended 31 December 2005 are shown in the table that follows:

| Director Name and principal position | Annual compensation for the year ended 31 December 2005 | | | Long-term compensation | | | |
|--------------------------------------|---------------------------------------------------------|------------|--------------------------------|-------------------------------|-----------------------------------------------------|--------------------|-----------------------------|
| | Salary (\$) | Bonus (\$) | Other annual compensation (\$) | Awards | | Pay-outs | |
| | | | | Securities under options/ (#) | Shares or units subject to resale restrictions (\$) | LTIP pay-outs (\$) | All other compensation (\$) |
| Copeland | – | – | 242,198 ¹ | – | – | – | – |
| Coughlan | 38,000 | – | – | – | – | – | – |
| Cousens | 41,272 | – | – | – | – | – | – |
| Dickinson | 41,211 | – | – | – | – | – | – |
| Dippenaar | – | – | – | 680,000 | – | – | – |
| Elliott | 40,000 | – | – | – | – | – | – |
| Kirk | 38,000 | – | – | – | – | – | – |
| Mason | 44,081 | – | – | – | – | – | – |
| Nkosi | 35,000 | – | – | – | – | – | – |
| Segsworth | 35,000 | – | – | – | – | – | – |
| Still | 35,000 | – | – | – | – | – | – |
| Thiessen | 69,355 | – | – | 444,00 | – | – | – |

¹ The amount was paid to CEC Engineering Limited, a private company owned by Dave Copeland which provides engineering and project management services at market rates.

Other than as disclosed above, no other management, consulting, technical or other fees, directly or indirectly, including payments to management companies have been paid to a director of the Company.

11.8 Directors' service contracts and restraints of trade

Letters of appointment are written to new directors who are also employees of the Company evidencing such appointment. In terms of the letters of appointment, those directors may not:

- divulge any confidential information without Great Basin's consent;
- directly or indirectly, acquire claims or an interest in claims or provide services to non-Great Basin associated companies within a radius of 10 kilometres of any Great Basin associated company for a period of two years after termination of their appointments for whatever reason.

11.9 Powers of directors

In terms of section 136 of the BCA, the directors of Great Basin must, subject to that act, the regulations and the memorandum and articles of the Company, manage or supervise the management of the business and affairs of Great Basin.

None of the directors of the Company have any powers that enable them to vote remuneration to themselves, unless it was recommended by the Compensation Committee and approved by the Board with proper quorum in accordance with the general principles of the Governance Manual, which includes the Compensation Committee charter.

The articles of association of the Company do not provide for any retirement or non-retirement of directors under an age limit.

12. INTERESTS OF DIRECTORS

12.1 Holdings of ordinary shares by directors

The Board, upon the recommendation of the Compensation Committee, is responsible for determining and reviewing compensation arrangements for the directors, including compensation through share incentive schemes.

The holdings of ordinary shares by the directors as at the last practicable date are set out in the table that follows:

| Directors | Direct | Indirect | Beneficial | Non-beneficial | Percentage held |
|-----------|---------|--------------------------------------------------------------|------------|------------------------|-----------------|
| Cooke | – | – | – | – | – |
| Copeland | 300,200 | 85,375 (RRSP)* 389,625 (James Bay Geology)** | – | – | 0.68% |
| Coughlan | – | – | – | – | – |
| Cousens | 41,027 | – | – | – | 0.036% |
| Dickinson | – | – | – | – | – |
| Dippenaar | 880,000 | – | – | – | 0.18% |
| Elliott | – | – | – | – | – |
| Kirk | – | – | – | – | – |
| Mason | 100,000 | – | – | – | 0.089% |
| Nkosi | – | – | – | – | – |
| Segsworth | – | – | – | – | – |
| Still | – | 2 465 604 [†] | – | 2 465 604 [†] | 2.19% |
| Thiessen | 394,531 | – | – | – | 0.35% |

* Canadian Registered Retirement Savings Plan.

** 100% owned by D.Copeland.

† R. Still's interest in Great Basin is both indirect and non-beneficial. This amount does not include warrants held by Ballottine share options held in a personal capacity.

12.2 Interests of Great Basin directors in terms of share incentive schemes

The Company did not award any LTIPs to any named executive officer during the most recently completed financial year.

None of the directors have acquired ordinary shares in terms of the existing share plan.

12.3 Directors' interests in transactions

To the knowledge of management of the Company, other than Siphon Nkosi who has a disclosable material relationship with Great Basin, no director of the Company or any associate or affiliate of any director has had any material beneficial interest, whether direct or indirect, in transactions that have been effected by the Company during the current or immediately preceding financial year or during an earlier financial year nor are there any transactions conducted by directors in an earlier financial year which remain outstanding or unperformed.

Similarly the articles of association of the Company do not enable any director to vote on a proposal, arrangement or contract in which the director has a material interest.

13. CORPORATE GOVERNANCE PRACTICES OF THE GREAT BASIN GROUP

13.1 Introduction

Great Basin is committed to the principles and implementation of good corporate governance. The Company recognises the valuable contribution that it makes to long-term business prosperity and to ensuring accountability to its shareholders. The Company is managed in a way that maximises long-term shareholder value and takes into account the interests of all of its stakeholders. Great Basin's Governance Manual is in accordance with the requirements of TSX. All public documents have been filed and are available for review on the SEDAR website located at www.sedar.com.

Great Basin believes that full disclosure and transparency in its operations are in the interests of good corporate governance. As indicated in the statement of responsibilities of directors contained in the Governance Manual, articles of association of the Company and notes to the consolidated financial statements the business adopts standard accounting practices and ensures sound internal controls to facilitate the reliability of the financial statements. Great Basin undertakes to the JSE to comply with the minimum corporate governance requirements contained in the listings requirements of the JSE within a period of 12 – 18 months of the date of listing or prior to any capital raising, whichever comes earlier.

13.2 Board of Directors

The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making. Regulatory guidelines in Canada require annual disclosure of the Company's corporate governance system, and where it differs from the Governance Guidelines, the differences and the reason for the difference should be explained.

The Board is responsible for overseeing both the overall management of the Company, as well as the conduct of the Company's affairs. The Board actively participates in the strategic planning process and is responsible for overseeing management's day-to-day operation of the Company. The Board is responsible for identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks. The Board looks to senior management to keep it abreast of all significant developments affecting the Company and its operations. All major acquisitions, dispositions and investments, as well as financings and other significant matters outside the ordinary course of the Company's business, are subject to approval by the Board. The Board is also responsible for succession planning of management, although this is not currently considered to be of singular importance given the relative age of the Company's current principal operating officers and directors. Finally, the Board is responsible for the implementation of a communication policy for the Company, and for the integrity of the Company's internal control and management information and public disclosure systems.

The Board and the chief executive officer have not, to date, adopted formal mandates for the chief executive officer since the responsibilities of the office is well understood by both the Board and management. There is the Governance Manual for the Board to guide it in executing its responsibilities, although the Board has ultimate responsibility for all aspects of the Company.

The Governance Manual generally requires that all material transactions receive prior Board approval. In this regard, virtually all financing transactions are considered material to the Company. Any property acquisitions and significant exploration programs receive the approval of the plenary board.

13.3 Independence of non-executive directors

The Board currently comprises 13 directors. The size and composition of the Board reflects a breadth of backgrounds and experience that is important for effective and good governance of a corporation engaged in mineral exploration and mine development.

Under the Governance Guidelines, an “unrelated director” is a director who is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with that director’s ability to act with a view to the best interests of the corporation. Under the guidelines, a director who is also a member of day-to-day management is a “related” director. The Company’s Governance Manual uses the term “independent” to mean substantially the same as “unrelated”.

The Board has considered the relationship of each of its directors and has determined that four of the 13 directors are ‘independent directors’ namely Barry Coughlan, David Elliott, Walter Segsworth, and Wayne Kirk.

The other directors are not considered ‘independent’ in terms of the Company’s Corporate Governance Manual as they fall into, *inter alia*, one of the following two categories:

- they have material relationships with the Company that would interfere with the exercise of independent judgement; and
- are or at any time were during the past three years, employees or executive officers of Great Basin, or a subsidiary of Great Basin, HDI or the Hunter Dickinson group.

HDI is a private company owned by nine publicly-traded resource companies, all of which have agreements whereby HDI provides management, geological and administrative services to the company. The senior management of HDI includes Ronald Thiessen, Robert Dickinson and Jeffrey Mason who are the Company’s co-chairmen and chief financial officer respectively. Barry Coughlan, David Elliott, Walter Segsworth, and Wayne Kirk do, however, serve on the boards of other HDI affiliated companies.

Of the directors of the Company, only Ferdi Dippenaar is employed by the Company on a full-time basis. Patrick Cooke and Rob Still are nominees of the former Southgold Shareholders, who through Ballottine indirectly owned as at 30 June 2006 approximately 15% of the Company as a consequence of having sold Southgold to the Company in 2002. Ballottine is the special purpose vehicle created under South African law to receive the ordinary shares and warrants of Great Basin upon the acquisition by Great Basin of Southgold from the former Southgold Shareholders.

The Board is satisfied as to the extent of independence of its members and in terms of the Governance Manual at least three of the Company’s directors are required to be independent.

The Board is satisfied that it is not constrained in its access to information, in its deliberations or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company and that there are sufficient systems and procedures in place to allow the Board with a reasonable degree of independence from day-to-day management.

13.4 Company Secretary

The company secretary, Jeffrey R. Mason, is responsible for supporting the effectiveness of the Board by monitoring that Board policy and procedures are complied with, coordinating the flow of information within the company, the completion and dispatch of items for the Board and briefing materials. The company secretary is accountable to the Board on all governance matters. All directors have access to the services of the company secretary. The appointment and removal of the Company Secretary is a matter for the decision of the Board as a whole.

13.5 Committees of the Board

The Board has established three committees, two of which, the nominating and governance committee and the compensation committee, must be comprised of at least a majority of unrelated directors and, the third, the audit committee, whose members must all be independent. All committees have written charters in accordance with which they act.

13.6 Audit/Risk Committee

The purpose of the audit committee is to assist the Board in its oversight of the integrity of the Company’s financial, accounting and reporting processes, in particular its financial statements and other relevant public disclosures. It must ensure the Company’s compliance with legal and regulatory requirements relating to financial reporting, the external auditors’ qualifications and

independence and the performance of the internal controls. The audit committee reviews the external audit plan and the results of the audit, reviews with the external auditors any audit problems or difficulties and management's response, approves all audit and non-audit engagement fees payable to the external auditors and pre-approves all audit and permitted non-audit services to be performed by the external auditors.

The audit committee also reviews and recommends for approval to the Board the Company's consolidated audited and unaudited financial statements and related management's discussion and analysis of the annual and quarterly financial and operating results.

The audit committee discusses with management the adequacy of the Company's system of internal accounting and financial controls. The committee has direct communication channels with the Company's external auditors and legal advisors. All of the members of the audit committee are financially literate and one member (David Elliott) has accounting or related financial management expertise. David Elliott holds credentials as a chartered accountant in Canada. The audit committee has established procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters, and for the confidential, anonymous submission by employees of the Company of concerns regarding possibly questionable accounting or auditing matters. The audit committee holds periodic meetings with the external auditors without the presence of management. The mandate of the audit committee empowers it to retain legal, accounting or other advisors at the Company's expense, and requires the audit committee to evaluate the functioning of the audit committee on an annual basis.

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgement.

A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

The members of the audit committee are David Elliott (Chair), Wayne Kirk and Walter Segsworth, all of whom are independent directors.

13.7 Compensation Committee

The purpose of the compensation committee is to assist the Board in monitoring, reviewing and approving the Company's compensation practices and administering the company's share compensation plans. The compensation committee is responsible for reviewing and making recommendations to the Board with respect to compensation for directors, senior management and employees and consultants, including compensation to be paid in consideration of a director acting on a committee, and succession planning for senior executives. When granting share options, the compensation committee determines the number of shares covered by each grant and the terms and conditions of the option, subject to the specific provisions of the plan. The compensation committee reviews the remuneration of the directors at least annually and from time to time to ensure that it properly reflects the responsibilities associated with being an effective director. The compensation committee holds regular sessions during which it meets in the absence of management. The mandate of the compensation committee empowers it to retain legal or other advisors at the Company's expense, including compensation consultants and requires the committee to evaluate the functioning of the committee on an annual basis.

The compensation committee is comprised of Messrs Coughlan (Chair), Elliott, Kirk, and Mason, three of whom are independent directors.

13.8 Nomination and Governance Committee

The purpose of the nominating and governance committee is to assist the Board in developing and monitoring the Company's corporate governance policies. Its also responsible for identifying individuals who are qualified to become members of the Board, to oversee annual self evaluation by the Board and its Committees and to review director succession planning and shareholder communication. In considering nominees to the Board, the Committee considers the current

composition of the Board and assesses the ability of candidates to contribute to the effective oversight of the management of the Company, taking into account the needs of the Company and the individual's background, experience, perspective, skills and knowledge that are appropriate to the Company. The committee is also responsible for the Company's compliance with the Company's Governance Manual and for reviewing and approving the annual disclosure relating to the Governance Manual. The mandate of the committee empowers it to retain legal or other advisors at the Company's expense, including any search firm to be used to identify candidates for nomination as directors, and requires the committee to evaluate the functioning of the committee on an annual basis.

The nominating and governance committee currently consists of Messrs Kirk (Chair), Coughlan, Elliott, and Mason, three of whom are independent directors.

13.9 **Systems of internal control and risk management**

Great Basin has internal control systems for identifying, managing and monitoring risks. These are designed to provide reasonable assurance that the risks facing the business are being controlled.

The systems of internal controls are implemented and monitored by appropriately trained personnel and their duties and reporting lines are clearly defined.

13.10 **Code of business ethics**

Management has communicated the principles in the Company's code of ethics to its employees in the discharge of their duties. The code of ethics sets the professionalism and integrity required for business operations which covers compliance with the law, conflicts of interest, reliability of financial reporting, bribery and strict adherence to ethical principles so as to eliminate the potential for illegal practices.

The Board has adopted a set of corporate governance policies and procedures to promote the effective functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should manage its affairs and perform its responsibilities with a view to compliance with the guidelines. The above-mentioned corporate governance policies and procedures are contained in the Governance Manual.

The corporate governance policies and procedures seek to establish, among other things:

- procedures for evaluation of members of the Board;
- corporate information and trading policies;
- a code of ethics;
- corporate whistleblower protection for employees who voice concerns over ethical matters; and
- mandates for the various committees of the Board.

These policies are designed to ensure that corporate disclosures are accurate, timely, double-checked and duly authorized. The corporate ethics policy establishes high standards for the conduct of management and all employees to ensure that the integrity and reputation of the Company remains paramount in the minds of all Company personnel.

14. **SHARE CAPITAL**

14.1 **Authorised and issued share capital**

The Company's authorised share capital consists of an unlimited number of ordinary shares without par value. As at the last practicable date Great Basin had 112,665,213 shares in issue.

The Company has a single class of shares all of which rank *pari passu*.

Great Basin's shares are fully fungible and are not identified or organised in any way for trading or otherwise by any kind of certificate or other numbering system. Physical share certificates, when issued are numbered, but the book based clearing system does not have numbered shares once deposited in or held in brokerage accounts.

14.2 Rights attaching to shares and power to issue shares

At the date of listing, the authorised share capital of Great Basin consists of one class only, namely ordinary shares without par value and without special rights or restrictions attached, of which an unlimited number of shares are authorised and 112,665,213 ordinary shares without par value have been issued, each carrying the right to one vote and all shares rank *pari passu*.

Directors control the issue or disposal of the authorised but unissued share capital of the Company.

The Company may amend provisions of the articles of association relating to the authorised share structure (including a share consolidation or a share split) by a resolution of the directors or by an ordinary resolution.

The articles of association also provide that the attachment, variation and deletion of special rights and restrictions to any class of shares must be authorised by ordinary resolution. If the amendment prejudices or interferes with the rights or special rights attached to any class of issued shares, the consent of the holders of that class of shares by a special separate resolution is also required.

14.3 Changes to issued share capital

The following table details the issued share capital of the Company from 31 December 2002 to 31 December 2005:

| | Number of shares | Amount \$ |
|--------------------------------------------------------------------|-----------------------------|----------------------|
| Balance, 31 December 2002 | 46,861,364 | 66,757,818 |
| Share purchase options exercised | 3,636,600 | 5,204,175 |
| Fair value of options allocated to shares issued on exercise | – | 430,000 |
| Share purchase warrants exercised | 6,541,943 | 9,883,994 |
| Private placement, January 2003, net of issue costs | 5,600,000 | 9,416,731 |
| Shares issued for Burnstone Gold Property, May 2003 | 10,000,000 | 13,800,000 |
| Balance, 31 December 2003 | 72,639,907 | 105,492,718 |
| Fair value of stock options allocated to shares issued on exercise | – | 239,915 |
| Share purchase options exercised | 835,700 | 969,580 |
| Share purchase warrants exercised | 2,137,772 | 3,859,240 |
| Shares issued for Burnstone Gold Property, January 2004 | 11,000,000 | 32,780,000 |
| Balance, 31 December 2004 | 86,613,379 | 143,341,453 |
| Share purchase options exercised | 1,572,000 | 1,509,120 |
| Share purchase warrants exercised | 5,500,000 | 5,018,062 |
| Warrants allocated to share capital on exercise | – | 11,360,000 |
| Balance, 31 December 2005 | 93,685,379 | 161,228,635 |

The following table details the changes to issued share capital from 31 December 2005 to 30 June 2006:

| | Number of shares | Amount \$ |
|-------------------------------------------------------|-----------------------------|----------------------|
| Balance, 31 December 2005 | 93,685,379 | 161,228,635 |
| Share purchase options exercised | 439,500 | 609,430 |
| Shares issued in terms of short form prospectus | 11,200,000 | 23,076,993 |
| Fair value of options allocated to shares on exercise | – | 246,623 |
| Balance, 30 June 2006 | 105,324,879 | 185,161,681 |

The summarised changes to Great Basin's issued share capital during the last three financial years ended 31 December 2005 and the interim financial period ending 30 June 2006, are set out in Annexure 12 to this Pre-listing Statement.

Subsequent to 30 June 2006, Great Basin issued the following shares in July 2006:

- 3,333,334 ordinary shares at \$2.25 per share pursuant to a private placement,
- 4,000,000 ordinary shares at a deemed value of US\$2.25 per share in full settlement of all remaining obligations in terms of the Settlement Agreement dated 26 May 2006 with the former Southgold Shareholders; and
- 7,000 ordinary shares pursuant to the exercise of options at an exercise price of \$1.15.

There have been no consolidations or subdivisions of Great Basin shares during the past three financial years. The only options granted by the Company were in terms of the equity compensation plans referred to in paragraph 14.4.3. Between 31 December 2005 and 30 June 2006, 439,500 Great Basin shares were issued as a result of options being exercised

14.4 Share incentive schemes, options and preferential rights

14.4.1 Long-Term Incentive Plan Awards

A LTIP is a plan providing compensation intended to motivate performance over a period greater than one financial year and does not include option or share appreciation rights plans or plans for compensation through shares or units that are subject to restrictions on resale.

14.4.2 Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's share option plan. Share options are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options are generally granted to senior executives. The terms of the options are established by the Board subject to the terms of the option plans adopted by the shareholders. Directors, consultants and employees in addition to the executives received options.

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

14.4.3 Securities authorised for issuance under Equity Compensation Plans

The only equity compensation plan which the Company has in place is the share option plan which was previously approved by shareholders on 21 July, 2005. The share option plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The share option plan is administered by the compensation committee of the Company. The share option plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The share option plan provides that the number of ordinary shares issuable under the share option plan, together with all of the Company's previously established or proposed share compensation arrangements, may not exceed 12.5% of the total number of issued and outstanding ordinary shares at any time outstanding. All options expire on a date not later than 10 years after the date of grant of such options.

The following table sets out shares issued pursuant to equity compensation plan as at the end of the interim financial period ended 30 June 2006.

| GROUP | Number of options | Number of shares equivalent |
|-------------------------------|--------------------------|------------------------------------|
| Directors (see table below) | 4,381,000 | 4,381,000 |
| Great Basin Employees | 2,391,000 | 2,391,000 |
| HDI employees and consultants | 1,879,000 | 1,879,000 |
| | 8,651,000 | 8,651,000 |

| Director | Number of options |
|-----------------|--------------------------|
| Copeland | 399,000 |
| Coughlan | 320,000 |
| Cousens | 399,000 |
| Dickinson | 399,000 |
| Dippenaar | 680,000 |
| Elliott | 290,000 |
| Kirk | 290,000 |
| Mason | 290,000 |
| Nkosi | 190,000 |
| Segsworth | 390,000 |
| Still | 290,000 |
| Thiessen | 444,000 |
| | 4,381,000 |

Subsequent to 30 June 2006:

- Great Basin granted 957,500 options at an exercise price of \$2.07, of which 850,000 were granted to Great Basin employees with an expiry of 31 March 2009 and 107,500 were granted to HDI employees and consultants with expiry of 30 April 2009;
- 7,000 options were exercised at an exercise price of \$1.15 by HDI employees and consultants.

14.4.4 **Options outstanding as at 30 June 2006**

The share options granted to the named executive officers during the financial year ended 31 December 2005 were as follows:

Option grants during the most recently completed financial year

| Named Executive Officer | Securities under options granted (#) | Percentage of total options granted to employees in financial year | Exercise or Base Price (\$/Security) | Market value of securities underlying options on the date of grant (\$/Security) | Expiration date |
|--------------------------------|---------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------|------------------------|
| Ferdinand Dippenaar | 680,000 | 100% | \$1.14 | \$1.14 | 19 December 2010 |

The share options exercised by the directors and unexercised options during the financial year ended 31 December 2005 were as follows:

Aggregate option exercises during the most recently completed financial year and financial year-end option values

| Named executive officers' name | Securities acquired on exercise (#) | Aggregate value realized (\$) | Unexercised options at 31 December 2005 (#) | Value of unexercised in-the-money options at 31 December 2005 (\$) |
|---------------------------------------|--------------------------------------------|--------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------|
| | | | Exercisable/unexercisable | Exercisable/unexercisable |
| David Copeland | 300,000 | \$477,000 | 309,000/Nil | \$556,200 |
| Ronald W. Thiessen | 230,000 | \$365,700 | 309,000/Nil | \$556,200 |

No share options were re-priced on behalf of the directors during the interim financial period ended 30 June 2006. "Exercisable" options are those which have vested in accordance with vesting requirements established by the Board or applicable regulatory policy.

15. DETAILS OF MAJOR SHAREHOLDERS

No single shareholder controls Great Basin. The major shareholder in Great Basin is the former Southgold Shareholders who, through Ballottine, hold approximately 15% of Great Basin. The remaining shareholders individually, other than directors, beneficially owned less than 5% of the ordinary shares of Great Basin on the last practicable date.

In accordance with South African Exchange Control Regulations, the SARB would require that the shares held in Ballottine be transferred to the names of the respective individual resident South African shareholders or qualifying institutional investors. The shares may be sold to non-residents and the proceeds thereof, should be remitted to South Africa.

16. SHAREHOLDER PROTECTION PROVISIONS RELATING TO TAKEOVERS

There are no specific provisions that deal with shareholder protection relating to take-overs.

17. DIVIDENDS AND OTHER DISTRIBUTIONS

Dividends will only be considered once the Company generates a positive cash flow. Once the Company's dividend policy allows for dividends to be paid, the directors may declare a dividend to be paid to shareholders according to their rights and interest in the profits and in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly *in specie* in which case the directors may fix the value for distribution *in specie* of any assets. The directors may declare and make such other distributions (in cash or *in specie*) to the shareholders as may be lawfully made out of the assets of the company. No unpaid dividend or distribution shall bear interest as against the company.

The payment of any unclaimed dividend or other monies payable in respect of a share may (but need not) be paid by Great Basin into an account separate from its own account. Such payment shall not constitute Great Basin as a trustee in respect thereof.

There are no arrangements in terms of which future dividends are waived or agreed to be waived.

18. TRADING HISTORY OF GREAT BASIN ORDINARY SHARES

The trading history of Great Basin ordinary shares on TSX and AMEX is set out in Annexure 9 to the Pre-listing Statement.

19. MATERIAL TRANSACTIONS AND CONTRACTS

19.1 Material transactions

Great Basin is presently involved in discussions with Tranter regarding broad based BEE participation in the Burnstone Project. These discussions are subject to the necessary board and regulatory approvals. It is anticipated that the discussions with Tranter will be concluded in the medium-to-long term after the listing of the Company on the JSE.

19.2 Material Contracts

Some of the Company's geological and administrative services are provided by HDI pursuant to a geological, corporate development, administrative and management services agreement dated 31 December 1996. HDI is a privately owned company and it does not own any shares in Great Basin. The agreement with HDI can be cancelled on 30 days' notice.

The amounts billed by HDI for services rendered and for the reimbursement of expenses were approximately:

| Financial year | Amount |
|-----------------------|---------------|
| 2004 | \$1,002,431 |
| 2005 | \$1,104,875 |

With the appointment of the Great Basin management team on 1 March 2006, it is expected that the reliance on HDI for management services will be reduced over the next few months.

Save for the material contracts stated above, Great Basin has not entered into any other material contracts in the two years prior to the date of this Pre-listing Statement nor has it entered into at any time an obligation or settlement that is material to the Company or its subsidiaries at the date of this Pre-listing Statement.

19.3 Material acquisitions or dispositions

Great Basin made no material acquisitions or dispositions during the audited financial period ended 31 December 2005. There were also no material acquisitions in the period commencing 1 January 2006 and 30 June 2006, being the most recent interim period.

20. MATERIAL BORROWINGS AND LOANS RECEIVABLE

Great Basin had no material borrowings or loans receivable at 31 December 2005 or at 30 June 2006.

21. PRINCIPAL IMMOVABLE PROPERTIES OCCUPIED BY GREAT BASIN

Great Basin presently occupies the following immovable properties:

- its South African offices at 4th floor, 138 West Street, Sandton in terms of a lease agreement with Erf 4 of 8 Sandown (Pty) Limited which expires on 30 August 2007. Great Basin intends to extend the said lease for a further period of five years; and
- as stated in paragraph 8, above Great Basin exercised the options to purchase the surface rights of the Burnstone Project, extending approximately 2,273 hectares. Transfers to the name of the Company are pending in respect of such rights. The cost of these purchases was ZAR16,719,748.

22. EXPENDITURE COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2005, Great Basin's had expenditure commitments as set out in note 5 of Annexure 3. For the period commencing 1 January 2006 to 30 June 2006, Great Basin had expenditure commitments as set out in Annexure 5.

23. STATEMENT AS TO ADEQUACY OF WORKING CAPITAL

The directors are of the opinion that Great Basin group's working capital resources are adequate for its current requirements and for at least the next 12 months following the date of this statement.

24. LITIGATION STATEMENT

Great Basin is not involved in any material legal or arbitration proceedings, nor are the directors of Great Basin aware of any proceedings which are pending or threatened which may have or have had, in the 12-month period preceding the last practicable date, a material effect on the Great Basin group's financial position.

25. MATERIAL CHANGES

There has been no material change in the financial or trading position of Great Basin and the Great Basin group in the financial period ended 31 December 2005, and in the period commencing 1 January 2006 to 30 June 2006 being the end of the preceding interim period. There has also been no material change between 30 June 2006 and the last practicable date.

26. STATEMENT AS TO LISTING ON THE JSE

The JSE has approved the application for a listing of all the issued ordinary shares of Great Basin in the "Resources, Mining – Gold Mining" sector of the JSE under the abbreviated name "GB Gold", with effect from the commencement of business on 27 October 2006.

27. EXCHANGE CONTROL REGULATIONS

The summary is intended as a guide only and is therefore not comprehensive. If you are in any doubt in this regard, you should consult an appropriate professional advisor.

South Africa's Exchange Control Regulations provide for restrictions on exporting capital from the Common Monetary Area. Transactions between residents of the Common Monetary Area on the one hand, and persons whose normal place of residence, domicile or registration is outside the Common Monetary Area ("non residents") on the other hand, are subject to these Exchange Control Regulations.

A South African resident investing in a dual listed company can only do so in terms of the Exchange Control Regulations governing foreign investment by South African residents. In terms of the Regulations, authorized dealers may allow South African resident private individuals and institutional investors to invest in a dual listed company. The restrictions governing the amount of such investment for private individuals have fallen away, and there is now no limit on the amount that a private individual can invest. On application to the South African Reserve Bank, South African institutional investors will be given 12 months to realign their portfolios, should their foreign exposure limits be exceeded. Institutional investors may also invest an additional five percent of their total retail assets in African inward listed securities.

The relaxation of the Exchange Control Regulations was designed to assist individual and institutional investors, and corporate investors have no open access to dual listed shares. A South African company will only have access to dual listed shares if the foreign company wishes to use its shares as acquisition currency, such as the Southgold transaction referred to in paragraph 1.2. In this case, the South African company that takes part in the acquisition issue will be given 12 months to dispose of the dual listed shares. However, should there be benefits to the continued financial involvement of the South African company in the business or assets acquired and the alignment of interests in the extraction of the maximum value from the consolidated company, Exchange Control may, on application, allow the South African company to retain such shares. A South African company can only participate in an acquisition issue with Exchange Control approval.

In terms of Section H of the SARB Exchange Control Rulings any foreign company wishing to list to the JSE requires prior approval by the SARB's Exchange Control Department.

As set out in paragraph 15 above, approximately 15% of Great Basin's shares are held via Ballottine, a South African company created by the former Southgold Shareholders to warehouse their Great Basin shares in compliance with SARB rules.

The SARB has granted approval for the listing of Great Basin on the JSE subject to the condition that within 3 months from the date of listing all Great Basin shares and warrants held by former Southgold Shareholders in corporate entities will either be transferred into the names of individual resident shareholders or qualifying institutional investors or will have been sold and the foreign currency receipts remitted to South Africa.

28. EXPENSES OF THE LISTING ON THE JSE

The expenses of the listing on the JSE are estimated at ZAR946,145.00 (excluding value added tax and other sales taxes). The abovementioned amount excludes the JSE listing fee, as this will be calculated in terms of paragraph 17.2(c) of the listings requirements of the JSE (see note 1 of the table that follows). All listing expenses will be for the account of Great Basin and will be paid out of existing cash reserves.

The estimated expenses (excluding value-added tax) of the listing on the JSE are set out in the table that follows:

| Expense | Payable to | ZAR |
|--------------------------------------------------------------|-------------------|------------------|
| JSE listing fee | JSE | TBC ¹ |
| JSE documentation fees | JSE | 56,145 |
| Printing, publication, distribution and advertising expenses | INCE | 400,000 |
| Legal fees | Deneys Reitz | 200,00 |
| Advisory fee (including sponsor) | JPMorgan | 250,000 |
| Accounting and auditing fees | KPMG | 30,000 |
| Administrative expenses | Various | 10,000 |
| | | 946,145 |

¹ In terms of paragraph 17.2(c) of the Listings Requirements of the JSE Limited, in respect of introductions, where no price is attributable to the securities, they will be deemed to have a value calculated by multiplying the number of securities listed by the closing price on the first day of trading.

29. CONSENTS

The global co-ordinator, sponsor, attorneys, technical advisors, independent reporting accountants and transfer secretaries in South Africa have consented in writing to act in the capacities stated and to their names being included in this Pre-listing Statement and have not withdrawn their consents prior to the publication of this Pre-listing Statement. The independent reporting accountants have consented to the inclusion of their report in the form and context in which it appears and have not withdrawn such consent prior to the publication of this Pre-listing Statement.

30. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given in paragraph 10 above, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by the JSE Listings Requirements.

31. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Great Basin in South Africa, during normal business hours between 08:00 and 17:00:

- the bye-laws of Great Basin and the memoranda and articles of association of its material subsidiaries and jointly controlled entities;
- the audited annual financial statements of Great Basin for the three financial years ended 31 December 2005;
- the reviewed interim financial statements of Great Basin for the six months ended 30 June 2006;
- the independent reporting accountants' report on the historical financial information of Great Basin for the three financial years ended 31 December 2005 set out in the consolidated financial statements;
- the independent reporting accountants' report on the most recent interim period ended 30 June 2006 set out in the interim financial statements;
- HDB Preliminary Assessment;
- Burnstone Project Feasibility Study;
- the existing share or option plan;
- the written consent of the reporting accountants to the publication of their independent reporting accountants' report and references thereto in the form and context in which they are included in this Pre-listing Statement;

- the written consents of the financial advisor, sponsor, attorneys in South Africa, reporting accountants and transfer secretaries in South Africa named in this Pre-listing Statement to act in those capacities;
- a signed copy of this Pre-listing Statement;
- Geological, Management and Administration Services Agreement between Hunter Dickinson Incorporated and Pacific Sentinel Gold Corporation;
- Settlement Agreement between Great Basin and the former Southgold Shareholders dated 26 May 2006; and
- Earn-In Agreement between Rodeo Creek Gold Inc, Great Basin Gold Limited and Hecla Ventures Corp.

By order of the Board

President and Chief Executive Officer

25 October 2006