

## **2008 – A significant step toward becoming a gold producer**

### **HIGHLIGHTS**

- Modder East development successfully negotiates the water bearing dolomites and intersects the reef horizon in all three development ends
- Modder East on schedule for first gold pour in Q4 2009
- Sub Nigel re-commissioned in December 2008 and stoping operations begin with first gold production expected in June 2009
- Funding shortfall reduced to R30m following a post-year end R90m capital raise
- Focused cost reduction strategy and a fair value adjustment to the bond liability results in a significant financial performance improvement;
- The Ventersburg project moves into pre-feasibility phase with declaration of first 1.437 million ounce indicated resource
- Strategic acquisition to create Gold One with a dual primary listing on the JSE and ASX is well advanced

*Johannesburg, 31 March 2009:* Alease Gold Limited ("Alease" or "the company") (AFO – JSE) today announced a reduced headline loss for the year ended December 2008.

As reported in its trading update of 27 March 2009, the reduction in headline loss from R81.9m to R44.8m was as a result of reduced general and administrative as well as a fair value adjustment to the bond liability. Available capital was in turn strategically focused on the company's core development project, Modder East.

While operationally Modder East is on track for its first gold pour at the end of 2009, Alease continued its advances to become a global mid-tier gold producer, by announcing a reverse-takeover of Australian listed BMA Gold Limited. The deal – subject to, inter alia, bondholder approval after all regulatory and shareholder approvals were met – will bring significant benefits to the company.

The newly formed company, to be known as Gold One International Limited, will create an attractive international gold business with a new mine on the cusp of production and a portfolio of growth prospects, coupled with a combined resource of more than 13m ounces of gold across the portfolio of assets in Australia, Mozambique, Namibia and South Africa.

### **SA operations**

During 2008, Modder East successfully completed the development of all three of the main access ends (main decline, return airway and decline west) through the water bearing dolomites with the first gold pour expected to take place in the last quarter of 2009.

During June 2008, the Company approved the first phase of the recommissioning of Sub Nigel at a capital cost of R28.9 million after a detailed study showed a reasonable return for a relatively small investment in infrastructure. In March 2009, Sub Nigel began to hoist its first ore, to be treated at Modder East, as the mine's plant is commissioned towards the middle of 2009. Sub Nigel will also provide a valuable training ground for employees earmarked for Modder East.

Commented Neal Froneman, Alease Gold CEO "2008 was a company changing year for Alease, as both the operations made strong headway towards becoming a producer, while we announced a major transaction that will leapfrog us into becoming a high-margin mid tier gold producer."

"Together with a dedicated team and strong shareholder support, I am positive that 2009 will provide more opportunities to enhance returns for Gold One "concluded Froneman.

*For further information contact Neal Froneman, chief executive, on +27 83 628 0226*

Issued by Alease Gold Limited

Website: [www.aleasegold.com](http://www.aleasegold.com)

#### Note to editors:

Alease Gold is a South African gold development company listed on the JSE (share code AFO). It is developing the new Modder East mine on the East Rand, some 30 kilometres from Johannesburg, and also owns the nearby existing Sub Nigel mine, currently being brought back into production. Its other projects and targets include Ventersburg, a large project with inferred resources, and Bothaville, both in the Free State Goldfields, the Tulo concession in Mozambique and the Etendeka greenfields project in Namibia. It has a resource base of some 13 million ounces of gold.

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*FORWARD-LOOKING STATEMENT: This news release includes certain "forward-looking statements" and "forward-looking information". All statements other than statements of historical fact included in this release including, without limitation, statements regarding future plans and objectives of Alease Gold and BMA Gold are forward-looking statements (or forward-looking information) that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors could cause actual results to differ materially from Alease Gold and BMA Gold's expectations. Such factors include, among others, the actual results of exploration activities, actual results of reclamation activities, the estimation or realisation of mineral reserves and resources, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, availability of capital required to place Alease Gold and BMA Gold's properties into production, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future prices of gold and other commodities, possible variations in ore grade or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry, delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities, Alease Gold and BMA Gold's hedging practices, currency fluctuations, title disputes or claims limitations on insurance coverage. Although Alease Gold and BMA Gold have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Alease Gold and BMA Gold do not undertake to update any forward-looking statements that are included herein, except in accordance with applicable securities laws. In addition, this news release uses the terms "indicated resources" and "inferred resources" as defined in accordance with the SAMREC Code (South African Code for Reporting of Mineral Resources and Mineral Reserves prepared by the South African Mineral Resource Committee) (SAMREC) under the auspices of the South African Institute of Mining and Metallurgy effective March 2000 or as amended from time to time. A mineral reserve is the economically mineable part of a measured or indicated resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate at the time of reporting that economic extraction can be justified. A mineral reserve includes diluting materials and allows for losses that may occur when the material is mined. A proven mineral reserve is the economically mineable part of a measured resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. A probable mineral reserve is the economically mineable part of an indicated mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. A mineral resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material 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. A measured mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes that are spaced closely enough to confirm both geological and grade continuity. An indicated mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes that are spaced closely enough for geological and grade continuity to be reasonably assumed. An inferred mineral resource is 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 exploration and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Investors are cautioned not to assume that all or any part of the mineral deposits in the measured and indicated resource categories will ever be converted into reserves. In addition, "inferred resources" have a great amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will be ever be upgraded to a higher category. Under South African rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except under conditions noted in the SAMREC Code. Investors are cautioned not to assume that all or any part of an inferred resource exists or is economically or legally mineable. Exploration data is acquired by the corporation and its consultants under strict quality assurance and quality control protocols. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.*