



## **Frequently Asked Questions About Great Basin Gold Ltd's Rock Creek Lands Purchase**

15 June, 2009

### **Q1: What are the Rock Creek lands and why are they significant?**

A: The Rock Creek lands are five sections in Lander County, Nevada that Great Basin Gold Ltd ("Great Basin Gold" or "the Company"), through its US subsidiary, Rodeo Creek Gold, Inc. (RCG), bought from RLF Nevada Properties LLC, a Colorado-based real estate developer. Four of the sections are located along Rock Creek Canyon and include lands of cultural and traditional significance to the Western Shoshone Tribes. The fifth section is located roughly six miles west of Rock Creek. Western Shoshone Tribes have used the Rock Creek area for over 700 years.

### **Q2: Why did Great Basin Gold/RCG buy the Rock Creek Parcels?**

A: Great Basin Gold purchased the Rock Creek lands as we have a company philosophy that recognizes our Corporate Social Responsibility ("CSR") commitments. We have spent US\$1.3 million at our Burnstone project in South Africa as part of our CSR and that we expect to make such investments in other communities where we operate, including our U.S. operations. When the possibility to purchase the Rock Creek lands initially came to our attention, we concluded that this was an appropriate opportunity to put our CSR to work at our US projects. We believed we should act sooner rather than later as there was a risk that the Rock Creek property could be purchased by another possible buyer which could have lead to speculation, real estate development or even mining. There was no guarantee that the laudable attempt of the US Bureau of Land Management ("BLM") to purchase the land would be successful. We have already started our discussions with the BLM (and other interested parties) about how to ultimately transfer title to the property to appropriate bodies to best ensure that it is preserved for traditional use by the Western Shoshone.

### **Q3: What does Great Basin Gold/RCG propose to do with the Rock Creek lands?**

A: Great Basin Gold proposes to donate both the surface and the mineral estates on these lands for the benefit of the five Federally-recognized Nevada Western Shoshone Tribes ("Tribes"). The ultimate disposition of the lands will be determined during consultation between the US Bureau of Land Management ("BLM") and the Tribes.

### **Q4: What is the Rock Creek Conservancy, LLC?**

A: Great Basin Gold created the Rock Creek Conservancy, LLC as a holding company to safeguard the lands while BLM and the Tribes discuss ultimate disposition of the lands.

**Q5: Did Great Basin Gold/RCG consult with BLM or the Western Shoshone Tribes prior to purchasing the Rock Creek Lands?**

A: No. Great Basin Gold did not consult with either the BLM or the Western Shoshone Tribes before purchasing the Rock Creek lands, mainly due to a contractual confidentiality clause. We took the initiative to buy the lands when the Company became aware of the availability of these lands and the fact they were being offered for sale to third parties. At that point, it became important to act as quickly as possible to prevent the sale of these lands to a third party that might want these lands for their real estate and mineral development potential. The Company did, however, inform the BLM and Western Shoshone prior to the closing of the transaction.

**Q6: What are some of the mechanisms by which the Company could convey the land to the Tribes?**

A: Great Basin Gold will defer to the Tribes and the BLM regarding the ultimate conveyance mechanism. Given that the Rock Creek area is important to more than one Nevada Western Shoshone Tribe, it might make sense for the Company to convey ownership of the Rock Creek Conservancy LLC to the Tribes, and for the Tribes to develop their own protocols to cooperatively manage the LLC and the Rock Creek lands. Another potential mechanism is for the federal government to take ownership of the lands for the benefit of the Tribes, or simply make them BLM-managed public lands, as contemplated under the SNLPMA process discussed in Q12. Great Basin Gold recognizes the legal complexities involved in this decision but nonetheless hopes that a collaborative dialogue will successfully identify one or more viable options.

**Q7: How will these lands be managed between now and when the land is transferred to the Tribes?**

A: Great Basin Gold is committed to preserving the cultural, traditional, and environmental values on the Rock Creek lands pending their disposition. With this in mind, Great Basin Gold is engaging with BLM in dealing with safeguarding the cultural resources; protecting the aquatic, avian, and terrestrial wildlife habitats along the Rock Creek drainage; and preserving the scenic values associated with Rock Creek Canyon.

**Q8: Will the Tribes have access to these lands pending the transfer thereof?**

A: Yes. Western Shoshone tribal members will have unrestricted access to the Rock Creek lands pending the transfer process and Great Basin Gold proposes to maintain the road to facilitate tribal members' access.

**Q9: Is there still a Minerals Lease on the Rock Creek lands?**

A: Before Great Basin Gold purchased the four sections of land along Rock Creek, the Company required dissolution of the Minerals Lease in order to guarantee that there will be no future mineral exploration or development of these lands. The Company is currently working with the Minerals Lessee to extinguish the Minerals Lease that is still in place on the fifth parcel which is about six miles west of Rock Creek.

**Q10: Does Great Basin Gold/RCG intend to explore for minerals and possibly develop a mine on these lands?**

A: We will not conduct or support any mineral exploration or development activities on the Rock Creek lands.

**Q11: Isn't Great Basin Gold's/RCG's purchase of the Rock Creek lands just another attempt by a mining company to buy off the Tribes?**

A: No. Certain Western Shoshone have publicly expressed their desire to see the Rock Creek lands in tribal ownership. We have also taken to heart previous statements from tribal groups that monetary mitigation measures don't necessarily address Native American cultural and environmental issues. As stated above the purchase was made in accordance with the Company's corporate social responsibility philosophy and it builds on our other corporate social investments in South Africa and Mozambique. While the Company understands that it is possible that not all Native American groups will support its gesture, Great Basin Gold hopes that the Tribes will see the Company's efforts as a sincere demonstration of the Company's respect for the importance that the Western Shoshone Tribes place upon the land.

**Q12: Doesn't Great Basin Gold's/RCG's purchase of the Rock Creek lands upset BLM's proposed purchase of these lands using funds from the Southern Nevada Public Lands Management Act (SNPLMA) program?**

A: No – Great Basin Gold's purchase of the Rock Creek lands preserves the private ownership status quo, except that Great Basin Gold – and not RLF Nevada Properties LLC – now owns the lands. Given the uncertainty and protracted nature of the SNPLMA review process (RLF was not obligated to sell the lands to BLM), Great Basin Gold's purchase removes a significant element of risk in BLM's proposal to secure SNPLMA funds to purchase these lands. Now that Great Basin Gold owns these lands, the Company guarantees that the Rock Creek lands will remain available for BLM purchase if BLM and the Tribes determine that the best course of action is for BLM to continue to try to secure SNPLMA funds to buy the Rock Creek lands. If this occurs – and if BLM is successful in receiving SNPLMA funds for these lands – Great Basin Gold would be willing to sell the lands to BLM through the SNPLMA process.

**Q13: What is the Rock Creek Conservancy Fund?**

A: Great Basin Gold has established the Rock Creek Conservancy Fund as a resource the Western Shoshone Tribes can use in the future for managing the Rock Creek lands or for other purposes that the Tribes and BLM identify during the BLM-Tribal consultation process. The Company has donated US\$122,500 as seed money to the Rock Creek Conservancy Fund.

**Q14: How does this purchase fit with other Great Basin Gold company initiatives?**

A: Great Basin Gold has Corporate Social Responsibility (CSR) and Corporate Social Investment (CSI) programs that require the Company to make appropriate investments to advance community objectives and to address the needs of the host communities in and near its operations. Great Basin Gold considers the Western Shoshone Tribes as key project stakeholders. The Rock Creek lands purchase fits well with Great Basin Gold's CSR and CSI initiatives.

**Q15: What are some examples of other Great Basin Gold CSR and CSI efforts?**

A: Great Basin Gold's Burnstone Mine is located about 80km southeast of Johannesburg in the Mpumalanga Province. Dipaleseng is the Local Municipality for the Burnstone Mine. The Company has made a number of CSR and CSI investments to work with and benefit Dipaleseng. Examples include the following:

Education and Training: Great Basin Gold has sponsored education and training initiatives to provide supplementary classes to learners, to upgrade educators' skills to teach mathematics, physical science, mathematics and English, and to upgrade the teaching infrastructure;

Health and Wellness Development: Great Basin Gold is contributing to the fight against a number of diseases like HIV/Aids and tuberculosis that are prevalent in the community.

Enterprise and Entrepreneurship Development: The Company is identifying employment creation opportunities to create additional jobs, contributing towards socio-economic upliftment.

Environment and Conservation: Great Basin Gold advocates environmental management and conservation by establishing projects that will create income streams for community-based organizations and to demonstrate that mining can coexist with a clean, productive and sustainable environment.

Economic Infrastructure: Great Basin Gold is developing infrastructure together with other stakeholders that will encourage economic diversification and support economic development.

For more information about Great Basin Gold's CSR and CSI programs, please visit our website at <http://www.grtbasin.com>