

EMPLOYMENT AGREEMENT

between

GoldStone Resources Ltd

("GoldStone")

(Registration Number: **71490**)

and

Jurie Hendrik Wessels

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THE PARTIES AGREE AS FOLLOWS-

1 INTERPRETATION

In the agreement –

- 1.1 clause headings are for the convenience and are not to be used in its interpretation
- 1.2 unless the context indicates a contrary intention an expression which denotes –
- 1.3 any gender
 - 1.3.1 a natural person includes an artificial person and vice versa
 - 1.3.2 a singular includes the plural and vice versa
- 1.4 In this agreement, unless the following expressions bear the meaning assigned to them below and cognate expressions bear corresponding meanings-
 - 1.4.1 "**annual leave cycle**" means the period of 12 (twelve) months which commenced from 1 January 2013
 - 1.4.2 "**board**" means the board of directors of GoldStone from time to time.
 - 1.4.3 "**BCEA**" means the Basic Conditions of Employment Act 75 of 1997 (as amended);
 - 1.4.4 "**Chief Executive Officer**" means Jurie Hendrik Wessels;
 - 1.4.5 "**Effective date**" means notwithstanding the signature date, the effective date will be 01 September 2011.
 - 1.4.6 "**LRA**" means the Labour Relations Act 66 of 1995 (as amended);
 - 1.4.7 "**month**" means one calendar month
 - 1.4.8 "**PAYE**" means pay as you earn
 - 1.4.9 "**Remuneration Committee**" means the Remuneration sub-committee of the board of GoldStone.
 - 1.4.10 "**sick leave cycle**" means the period of thirty six months employment with the same employer immediately following the commencement date

- 1.4.11 "UIF" means the Unemployment Insurance Act 63 of 2001
- 1.5 Any substantive provision, conferring rights or imposing obligations on a Party and appearing in any definitions in clause 1.4 or elsewhere in this Agreement or any of its annexes, shall be given effect to as if it were a substantive provision in the body of the Agreement or of the annex concerned.
- 1.6 Words and expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such a word or expression throughout this Agreement.
- 1.7 A reference to any statutory enactment shall be construed as reference to that enactment as at the Signature Date and as amended or substituted from time to time.
- 1.8 Where figures are referred to in numerals and words, and there is any conflict between the two, the words shall prevail, unless the context indicates a contrary intention.
- 1.9 Unless specifically otherwise provided, all amounts in this Agreement are exclusive of tax for which GoldStone shall be liable.
- 1.10 Any communication required to be in writing in terms of this Agreement shall only be valid if either written or printed in a paper based form. The provisions of the Electronic Communication and Transactions Act No 25 of 2002, in this regard are expressly excluded from this Agreement.
- 1.11 This Agreement incorporates the annexes, which annexes shall have the same force and effect as if set out in the body of this Agreement. In this Agreement the word "**Agreement**" refers to this agreement and the words "**clause**" or "**clauses**" and refer to clauses in this Agreement.

2 APPOINTMENT

GoldStone appoints Jurie Hendrik Wessels as the Chief Executive Officer and Managing Director reporting to the Board of Directors of GoldStone and the Chief Executive Officer accepts the appointment on the terms and conditions as contained in this agreement.

3 PERIOD OF AGREEMENT

Notwithstanding the signature date, this agreement will commence on 1 September 2011 and will continue indefinitely until terminated as contemplated herein.

4 PLACE OF WORK

The Chief Executive Officer shall be required to render services at the Company's premises in Cape Town. Unless services are to be rendered in the course and scope of the Chief Executive Officer's travel obligations, the location and place of permanent employment shall not be changed without his consent in writing.

5 DUTIES OF THE CHIEF EXECUTIVE OFFICER

5.1 As Chief Executive Officer ("CEO") of GoldStone, the CEO shall:

5.1.1 be responsible directly to the Board of GoldStone or such other person as nominated by the Board from time to time;

5.1.2 unless prevented by ill health or for some otherwise explainable reason provided for herein or otherwise, devote his time and attention to the affairs of GoldStone and the full benefit of his knowledge, expertise and skills in the proper performance of his duties under this Agreement;

5.1.3 be responsible for and undertake such duties and exercise such powers in relation to GoldStone and its business, as the Board of Directors shall from time to time assign to or vest in his;

5.1.4 at all times carry out lawful instructions and/or resolutions of the Board of Directors;

5.1.5 carry out all functions in terms of this agreement to the best of his ability;

5.1.6 use his utmost endeavours to protect and promote the business interest of GoldStone and to preserve its reputation and goodwill and to develop and improve the business of GoldStone to the best of his ability;

5.1.7 not during the duration of this agreement or thereafter use, for his own benefit or for the benefit of any other person, or divulge or communicate to any person or persons who are

not directors or full-time employees of GoldStone, any of GoldStone' business secrets or other information, which he may receive or obtain relating to GoldStone affairs or its customers unless required to do so by law or in the proper discharge of his duties owed to GoldStone;

- 5.1.8 work such hours and travel within and outside the Republic of South Africa as may reasonably be required for the proper performance of his duties.
- 5.2 unless prevented by ill health or for some otherwise explainable reason provided for herein or otherwise, the Chief Executive Officer's ordinary hours of work will be at least the business hours. The Chief Executive Officer shall however be required to work such additional hours as may be required to give effect to and meet the demands of GoldStone from time to time.
- 5.3 The Chief Executive Officer shall not, without the prior written consent of the Chairman of GoldStone, be engaged or interested either directly or indirectly in any capacity in any trade, business or occupation that competes with the business of GoldStone provided that the Chief Executive Officer shall not be prohibited from holding directly or indirectly up to 5% (five percent) of the shares or stock of any class of any such company listed on a recognised stock exchange. The Chief Executive Officer may be involved as a director of another exploration or mining company in an executive and non-executive role provided that it will not interfere with his duties described herein. For the purposes of 'written consent' it is hereby consented that the Chief Executive Officer may be engaged or interested, directly or indirectly as aforesaid in Bauba Platinum Ltd, Vanadium Resources (Pty) Ltd and Moeijelijk Chrome Company (Pty) Ltd provided that his involvement will not cause interference with his duties envisaged herein.
- 5.4 The Chief Executive Officer shall not make copies of any document, memoranda, correspondence, computer disk, video tape or any similar matter (including in any electronic format) or remove any such items from the premises of GoldStone other than in the proper performance of his duties under this Agreement, except with the written authority of the Board of Directors which authority will apply in that instance only.
- 5.5 The Chief Executive Officer shall not write any article for publication on any matter concerned with the Business or other affairs of the Company without the prior written

consent of the Company's Board of Directors.

6 REMUNERATION AND OTHER BENEFITS OF EMPLOYMENT

6.1 As remuneration for his services hereunder, the Company shall:

6.1.1 pay the Chief Executive Officer, an annual salary of \$231,000 (Two Hundred and Thirty One Thousand US dollars) per annum, accruing and payable monthly in arrears, in 12 (twelve) equal instalments on or before the penultimate working day of each and every month;

6.1.2 on or before the 28th of February of each year, the annual salary of the Chief Executive Officer shall be reviewed and considered for adjustment in line with the South African and global exploration industry, but always subject to the approval and final decision by the Remuneration Committee. It is specifically recorded that this does not guarantee the Chief Executive Officer an increase in his annual salary.

6.2 This amount considers the Chief Executive Officer may have to work additional hours to give effect to and meet the demands of GoldStone from time to time, inclusive of public holidays and Sundays where necessary and also the consent in term of clause 5.3.

6.3 The Chief Executive Officer agrees that GoldStone may deduct from his remuneration any amounts due in relation to PAYE, UIF or as required by any other law, court order or written agreement from time to time.

6.4 If, at any time, the Chief Executive Officer owes any amounts to GoldStone which are not in dispute, he authorises GoldStone to deduct such amounts from, or set off such amounts against, any amount owed to him.

6.5 The Chief Executive Officer will be entitled to the following additional benefits:

6.5.1 such bonus/es (including participation in the annual bonus scheme) as may be payable to the Chief Executive Officer solely at the discretion of the Remuneration Committee of GoldStone and in terms of the remuneration policies from time to time.

6.5.2 Participation in any share option or long term retention scheme or any other incentive scheme.

- 6.6 GoldStone does not provide or offer the benefits of retirement funding, medical aid, group life insurance or personal accident insurance. Such benefits may be secured by the Chief Executive Officer at his own cost. The Company does however indemnify and hold harmless the Chief Executive Officer for all lawful actions and/or omissions by him during the course and scope of his employment and will keep in place suitable insurance to cover him for such eventualities.

7 DISBURSEMENTS

- 7.1 GoldStone shall reimburse the Chief Executive Officer in respect of all reasonable travel, accommodation, cell phone, internet connection cost and entertainment cost incurred by the Chief Executive Officer and which are directly related to the business of GoldStone. All expenses (substantiated by vouchers) so incurred must have been:

7.1.1 necessary to enable the Chief Executive Officer to perform his duties under this agreement; or,

7.2 authorised or ratified by the Chairman of the Board;

8 ANNUAL BONUS SCHEME, SHARE OPTION AND RETENTION SCHEME

8.1 The Chief Executive Officer will participate in the annual performance bonus scheme based on targets set by the remuneration committee/board of directors.

8.2 The Chief Executive Officer may be allocated performance shares and/or share appreciation rights or other incentive shares. These Rights and/or options will be allocated at the discretion of the Remuneration Committee.

9 ANNUAL LEAVE

9.1 In respect of each annual leave cycle, the Chief Executive Officer will be entitled to 30 (thirty) business days leave on full pay to be taken at such time or times as be agreed between the Chief Executive Officer and the Company.

9.2 The Chief Executive Officer shall ensure that he takes his annual leave in terms of the provisions of this agreement. No more than 40 days annual leave may accrue without

approval of the Chairman of the Board.

- 9.3 In addition to annual leave, the Chief Executive Officer is entitled to all statutory public holidays in the Republic of South Africa.
- 9.4 The Chief Executive Officer shall not be paid any monies in lieu of any leave except on termination of his employment in respect of the last leave cycle and further as required by the law.
- 9.5 The Chief Executive Officer may not take annual leave once a notice of termination of employment has been tendered.

10 SICK LEAVE

Should the Chief Executive Officer be absent from work through incapacity, GoldStone will grant the Chief Executive Officer up to 30 (thirty) days paid sick leave in respect of each sick leave cycle in terms of the BCEA.

11 EARLY TERMINATION DUE TO BREACH

- 11.1 GoldStone will be entitled to terminate the appointment of the Chief Executive Officer without notice for reasons justifying such termination in law if the Chief Executive Officer:
- 11.1.1 Commits any material breach of any of his obligations to GoldStone under this agreement and fails to remedy such breach after GoldStone has given him 7 (seven) days' written notice to remedy such breach;
- 11.1.2 Is guilty of conduct which justifies the summary dismissal of an employee at common law;
or
- 11.1.3 Is guilty of conduct which is likely to bring GoldStone into disrepute or is convicted of an offence involving dishonesty-

All of which shall always be subject to the provisions of the Labour Relations Act 66 of 1995 (as amended) ("LRA").

12 SUSPENSION OF EMPLOYMENT

- 12.1 If GoldStone suspects that the Chief Executive Officer is guilty of misconduct, which, if proved, justify the dismissal of the Chief Executive Officer, or has committed a breach of any of the terms of this agreement, GoldStone may, pending a duly constituted enquiry by GoldStone into the alleged conduct in question, but without prejudice to the right of GoldStone of summary dismissal in terms of clause 9.1 and without giving rise to any claim for damages or otherwise against GoldStone suspend the Chief Executive Officer for a period not exceeding 30 (thirty) days during which the Chief Executive Officer will –
- 12.1.1 not be entitled to attend work at the premises of GoldStone;
- 12.1.2 not be entitled to represent or hold himself to represent the interests of GoldStone; and
- 12.1.3 not be entitled to any of his benefits in terms of this agreement, other than his agreed remuneration and those benefits which are deducted from his remuneration.
- 12.1.4 be required to be available and contactable during office hours should GoldStone need to call upon him.

13 TERMINATION OF EMPLOYMENT BY NOTICE

- 13.1 Save as otherwise provided for herein, either GoldStone or the Chief Executive Officer shall be entitled to terminate this agreement on 3 (three) calendar months' written notice to the other, provided that if the Chief Executive Officer's employment is terminated unfairly, or without agreement or he is retrenched, the Chief Executive Officer shall receive all his benefits of employment for a period of 12 months after his employment terminated.
- 13.2 GoldStone may, in its sole discretion, release the Chief Executive Officer from his obligation to render any services to GoldStone during his period of notice.
- 13.3 The Chief Executive Officer may retain personal effects like his cellphone, mobile electronic equipment (Laptop & iPad) and peripheral devices. All other personal items may be removed by the Chief Executive Officer without limitation.

14 CONFIDENTIALITY

- 14.1 During his period of employment with GoldStone, the Chief Executive Officer would have had and will continue to have access to trade secrets and confidential information of

proprietary value to GoldStone including, *inter alia*, and without limiting the generality of the foregoing, the following:

- 14.1.1 internal control and security systems of GoldStone including accounting and administrative details;
 - 14.1.2 reciprocal agreements between GoldStone and its suppliers;
 - 14.1.3 agreements between GoldStone and third parties;
 - 14.1.4 details of GoldStone financial structure and operating results;
 - 14.1.5 the policies and strategies of GoldStone;
 - 14.1.6 the salary and wage policy of GoldStone;
 - 14.1.7 technical information relating to the exploration/mining interest and business activities of GoldStone;
 - 14.1.8 other matters which relate to the business in respect of which information is not readily available in the ordinary course of business to a competitor of the business of GoldStone (hereinafter collectively referred to as "**confidential information**")
- 14.2 The parties agree that the confidential information is of considerable value to GoldStone and the Chief Executive Officer must strive to protect the confidential information.
- 14.3 In order to protect the proprietary interest of GoldStone in the confidential information, the Chief Executive Officer undertakes that:
- 14.3.1 he will not any time, during the period of the agreement or anytime thereafter, utilise or indirectly divulge or disclose to any other person any of the confidential information unless required or obligated to do so by law or in the proper discharge of his responsibilities owed to GoldStone;
 - 14.3.2 he will treat as confidential, all information which a third party has in terms of any agreement made available to GoldStone and which has become known to the Chief Executive Officer in the course of his duties and will not divulge such information contrary to the terms of such agreement; and

Executive Officer or any party, during the course and scope of his employment by GoldStone and all copies thereof whether directly or indirectly in his possession will be the property of GoldStone and, upon the termination date or earlier if required by GoldStone, such documents and all copies [hard or soft] shall be returned to the Company within 24 (twenty four) hours of such termination.

16 OTHER EMPLOYMENT, ACTIVITIES OR APPOINTMENTS

16.1 The Chief Executive Officer shall not be entitled to engage actively or passively, directly or indirectly, in any other enterprise, or to accept any other gainful or unpaid employment or position whether on a full or part-time basis unless such activity does not directly impact on the Company or results in a conflict of interest with GoldStone or interferes with the duties of the Chief Executive Officer. It is hereby recorded that the Chief Executive Officer may be engaged or interested, directly or indirectly or to accept gainful or unpaid employment or position (as director or otherwise) on a part-time basis from Bauba Platinum Ltd, Vanadium Resources (Pty) Ltd and Moeijelijk Chrome Company (Pty) Ltd.

17 CODES, PROCEDURES, RULES AND REGULATIONS

17.1 The Chief Executive Officer undertakes to acquaint and familiarise himself with the terms of any codes, procedures, rules and regulations which have been, or may be, introduced or promulgated by GoldStone from time to time.

17.2 GoldStone shall not have the right to amend any of its codes, procedures, rules and regulations if it would amount to a variation of this agreement.

18 INTERCEPTION AND MONITORING OF ELECTRONIC COMMUNICATIONS

Provided that the Company can show reasonable cause for engaging in interception and monitoring, the Chief Executive Officer consents to the interception and monitoring of any communication that he may send or receive using the equipment of GoldStone or during the course and scope of his employment by GoldStone and waives the protections afforded to him in this regard in terms of the Regulation of Interception of Communications and Provision of Communication-Related Information Act, 70 of 2002.

19 APPLICABLE LAW

This Agreement will in all respects be governed by and construed under the laws of the Republic of South Africa.

20 SEVERABILITY

Each paragraph and clause in this agreement is separate and severable the one from the other notwithstanding the manner in which they may be linked together or grouped grammatically, and if any paragraph or clause is found to be defective or unenforceable for any reason, the remaining paragraphs or clauses, as the case may be, will nevertheless be and continue to be of force and effect.

21 GOOD FAITH

In the implementation of this agreement, the parties undertake to observe the utmost good faith, and they warrant in their dealing with each other that they will neither do anything nor refrain from doing anything which might prejudice or detract from the rights, assets or interests of the other of them.

22 ENTIRE AGREEMENT

22.1 The agreement constitutes the whole agreement between the parties to this agreement relating to the subject matter of this agreement, and save as otherwise provided no amendment, alteration, addition or variation will be of any force of effect unless reduced to writing and signed by the parties to this agreement.

22.2 The parties agree that there are no other conditions, warranties or representations, otherwise, save those contained in this agreement.

23 VARIATIONS

No agreement varying any of the terms and conditions of this agreement will be of any force or effect unless contained in writing and signed by the parties.

24 WAIVER

No waiver of any of the terms and conditions of this agreement will be binding for any purpose unless expressed in writing and signed by the party giving the same, and any such waiver will be effective only in the specific instance and for the purpose given. No failure or delay on the

part of either exercising any right, power or privilege will operate as a waiver, nor will any single or partial exercise of any right, power of privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

25 CONTINUING EFFECTIVENESS OF CERTAIN PROVISIONS

The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.

26 NOTICES AND *DOMICILIUM*

26.1 The parties choose as their respective *domicilium citandi et executandi* for the purposes of legal proceedings and for the purposes of giving or sending any notice provided for or necessary in terms of this agreement, the following addresses-

GoldStone
Physical address:
Suite 201, One Lagoon Beach Building, Lagoon Beach, Milnerton

E-mail: info@goldstoneresources.com

CHIEF EXECUTIVE OFFICER:
Physical Address:
210 Val de Vie, Wemmershoek Road, Paarl.

E-mail: jurie@terranostra.co.za

provided that a party may change its *domicilium* to any other physical address or his E-mail address by written notice to the other party to that effect. Such changes of address will be effective seven days after receipt of notice of the change in *domicilium*.

26.2 All notices to be given in terms of this agreement will be delivered to his E-mail address be delivered by hand; if delivered by hand be presumed to have been received on the date of delivery; if delivered per E-mail be presumed to have been received within three business days of delivery unless the contrary is proven.

27 GENERAL

27.1 In the event that there is a conflict between the provisions of this Agreement and any of

GoldStone's codes, procedures, rules and regulations as introduced, amended or as may be applicable from time to time, the provisions of this Agreement shall prevail.

27.2 The parties shall comply with the provisions of the BCEA in respect of any matter not expressly provided for in this Agreement

28 SIGNATURE

Signed by or on behalf of the parties, each party warranting that he/she has due authority to do so.

SIGNED at Waterfall on 28 November 2013

For and on behalf of
Goldstone Resources Limited



SIGNED at Pool on 28 November 2013



Julie Hendrik Wessels