



Norseman Gold Plc (Plc)
Central Norseman Gold Corporation
Limited (CNGC)

Company Update

20 December 2013

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Background



- 1935 Western Mining Corporation (WMC) commenced mining operations at the Norseman Project
- 2002 Croesus Mining NL (Croesus) acquired majority interest in the Norseman Project
- June 2006 Croesus went into administration
- May 2007 the Norseman Project acquired by Davos Mining (subsequently changed name to Plc)
- 1 July 2011 EXP T1 Ltd secured \$15 million facility (novated to Farrer Place Holdings Pty Ltd (Farrer Place) on 3 October 2012)
- 25 October 2011 secured £5,087,000 convertible notes issued to UK Noteholders
- February 2012 Tulla Resources Group Pty Ltd (Tulla) acquired equity in Plc and secured \$10 million convertible notes issued to Tulla
- 3 October 2012 CNGC placed into voluntary administration
- CNGC Creditor's meeting approves CNGC deed of company arrangement (DOCA) in February 2013 and Creditors approve amendment to DOCA in April 2013
- Tulla has provided funding for the Administration period, Creditors Trust and post administration
- Plc delisted from AIM in the UK and currently suspended from the ASX in Australia

Mining Operations



- Remnant mining operations currently being undertaken at the Norseman Project
 - Bullen Underground Mine
 - T Bone air legging of remnant ore bodies have been undertaken over the past 8 months. Results have been lower than forecast due to recoverable ounces being significantly lower than modelled.
 - Remnant ore blocks in the Mararoa and Bullen West areas are currently the principal mining areas.
 - Bullen underground mining operations expected to end in Quarter 1 2014 unless new ore blocks can be located.
 - Harlequin Underground Mine
 - Constructed the Major Decline to access the Crown Pillar
 - Currently air legging the Crown Pillar
 - Estimated 11,000 ounces of gold per business plan
 - To date, mined and processed 2,300 ounces of gold
 - Estimated finish mining the Crown Pillar by March/April 2014
 - Investigating possible additional ore at Harlequin at the bottom of HV1 and HV6 declines for remnant mining, although initial view is any such ore bodies not economical to mine
 - Currently removing equipment from lower levels of the mine due to rising water in abandoned areas.

Mining Operations



- North Royal
 - Remnant mining of the pillars in mini-pits A & B at the base of the Open Cut mine was disappointing as tonnes mined were substantially less than modelled expectations due to poor/inadequate geological and mine data, although the grade mined was inline with forecast.
 - Currently opening access to 4 and 5 Levels to allow physical access to verify whether other pillars and stockpiles still exist as current records represent.
 - As well, dewatering of the North Royal mine continues to the 5 Level to enable physical access underground to investigate, sample and verify pillars that may be accessed from North Royal decline
 - No decision to mine North Royal made, but any such mining expected to be concluded by end April 2014

Overall, sales of gold from 1 July 2013 to 20 December 2013 has been 6,757 ounces for total proceeds of \$9,480,464 gross.

Current Issues



- Insufficient economically mineable JORC reserves to currently support long term mining at Bullen, Harlequin or North Royal beyond 2014
 - Currently reviewing JORC resources
- High Operating Costs due to nature of the narrow ore veins
 - Wages
 - Power
 - Water
 - Aged processing plant
- Have implemented a number of cost savings
 - Reduced work force from 250 to c 70+
 - Changed work rosters to maximise savings (direct and indirect)
 - Reduced processing plant operation
- Reviewing further cost reductions but limited scope for additional substantial reductions

Current Issues



- High Fixed Cost overheads
 - Minimum expenditure on tenements of c. \$6 million per year and rental fees
 - Government gold royalty
 - Dundas Shire Council rates
 - Power agreement
 - Interest repayments – current informal standstill
- Corporate structure impediment for new investment opportunities

Future Possibilities



- Investigating future options for Plc/CNGC
 - Restructure as an exploration company
 - Seek to discover next transformational ore body
 - Plant on 'care & maintenance'
- Current scoping studies being conducted:
 - Phoenix Tailings
 - 23 metallurgical holes drilled in 2013 and assay results currently being analysed
 - Initial mine and economical models being developed to assess viability of mining the historic Phoenix Tailings
 - Numerous infrastructure, environmental & permitting issues to be resolved
 - Iron Ore - potential joint venture opportunity
 - Identified potential magnetite zone on CNGC tenements
 - Assessing potential joint venture opportunities

Greenfield Exploration Project



- Very little “true” greenfield exploration over the past 15+ years by previous owners (WMC, Croesus & CNGC)
- Extensive tenement assets of CNGC and Pangolin Pty Ltd (wholly owned subsidiary); currently 186 tenements comprising:
 - 108 mining leases (+ 1 pending)
 - 10 exploration licences
 - 53 prospecting licences (+ 3 pending); and
 - 15 miscellaneous licences (primarily infrastructure)
- Extensive historical data – the Norseman Project area is highly prospective
- Commissioned Justin Osborne of OzEx Consulting Pty Ltd to undertake comprehensive review. Identified 4 key exploration areas for a potential transformational new discovery:
 - Anomaly 12 on Lake Cowan – Higginsville Terrane
 - NW Cowan area – Higginsville Terrane
 - Polar Bear Peninsular – Kalgoorlie Terrane
 - Norseman Fold Nose, Lake Cowan – Norseman Terrane
- Encouraging drill results from neighbours:
 - Sirius Resources NL on the Polar Bear Peninsular
 - Panoramic Resources Ltd at Mt Henry to the south

Greenfield Exploration Project



- Preliminary drill programs already designed
- Next Steps (subject to available funding)
 - Put in place an experienced and dedicated exploration team
 - Prioritise/finalise exploration program
- Exploration program requires a minimum 2 year initial funding commitment

Financials



- FYE June 2012 accounts audited – lodged at Companies House (UK) on 2 September 2013 and at the ASX on 3 September 2013
- Auditors currently undertaking FYE June 2013 audit

Security



- Security (as per Deed of Priority dated 30 March 2012)
 - Farrer Place (\$15 million facility)
 - First ranking fixed and floating charge, first ranking charge over the Mining Tenements and second ranking charge over Exploration Tenements.
 - Tulla (\$10 million convertible note)
 - First ranking charge over the Exploration Tenements, second ranking fixed and floating charge (pari passu with the UK Noteholders) and second ranking charge over the Mining Tenements (pari passu with the UK Noteholders).
 - UK Noteholders (£5,087,000 convertible note)
 - Second ranking fixed and floating charge (pari passu with Tulla), second ranking charge over the Mining Tenements (pari passu with Tulla) and third ranking charge over the Exploration Tenements.
- Breaches of Facility and Notes
 - Plc and CNGC in breach of all security

Security



- Enforcement of Security
 - Farrer Place can enforce its security (subject to consent of Tulla in relation to the Exploration Tenements)
 - Tulla can enforce its security over the Exploration Tenements otherwise consent required from Farrer Place
 - UK Noteholders cannot enforce its security without
 - Approval of majority (50% in value) at a formal Noteholders meeting; and
 - Providing the Trustee of the Notes with appropriate funding and any required indemnities; and
 - Requires consent of Farrer Place and Tulla