

Nordgold

GROWTH ON A GLOBAL SCALE





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One of the most geographically diversified companies in the mining industry, Nordgold is looking to follow up a prosperous 2013 with further growth this year

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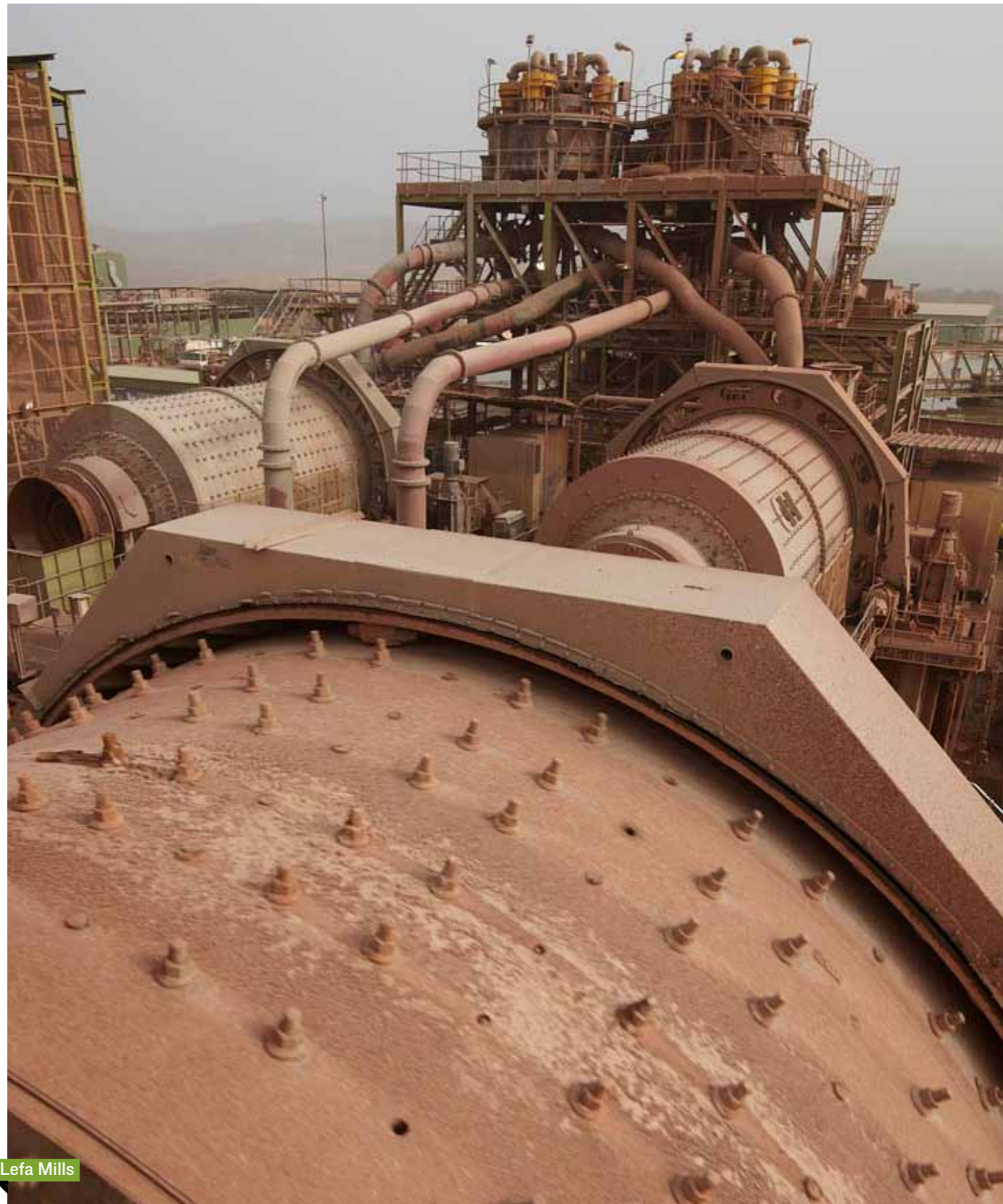
Established in 2007, when Severstal Group, one of Russia's most successful metals and resources corporations, decided to move into the gold market, Nordgold has since become recognised as one of the industry's fastest-growing gold mining companies with operations based in West Africa, Kazakhstan and Russia.

It was in 2008 that Nordgold, which until then had only been operating in the CIS, acquired a controlling stake in High River Gold Mines Ltd, a Canadian company which held a number of assets in Russia as well as in Burkina Faso. The Taparko mine and Bissa exploration project, both in Burkina Faso were among these assets. Following the positive results Nordgold achieved with turnaround project at Taparko the company decided to proceed with the development of Bissa.

The secret to Nordgold's rapid rise has been a combination of acquisitions and organic investment. Today the company operates nine mines, has one development project, five advanced exploration projects and a diverse portfolio of early exploration projects and licences. Together these assets not only provide employment for over 10,000 workers but also contributed to Nordgold's gold production increasing to 924,000 ounces in 2013 from 717,000 ounces in 2012.

Nordgold's mission, which clearly it has taken great strides towards achieving already,

“The company insists that success for Nordgold is about more than just gold and that its values run much deeper than effective gold production”



Lefa Mills

“One of the company’s major targets for this year is for all of its operating mines to be free cash flow positive by the end of 2014”

is to create consistent growth throughout its operations, thus delivering value to its shareholders and all other stakeholders. Nevertheless, the company insists that success for Nordgold is about more than just gold and that its values run much deeper than effective gold production. In addition to this, it constantly strives to ensure that its employees know that their safety is the company's utmost priority, that it earns and retains the trust of the investment community, that it contributes to the communities in which it operates and that it does its part in looking after the environment.

While it is a young company, Nordgold has grown very rapidly and in doing so has been forced to meet the challenges that any expanding mining company would face head on. In the time that it has done so, Nordgold has embraced the realisation that, in order to truly fulfil its potential and reach the next stage of its development, it needed a clear vision as to how it honours the values it is committed to.

As the employer of thousands of men and women, Nordgold understands all too well that it bears the responsibility of ensuring their safety and providing a good quality of life for them and their families. Nordgold states that one of its aims on a daily basis is to provide an environment in which its people can realise their potential in conditions that are both comfortable and safe. The company seeks to



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be an employer of choice in the communities in which it operates and to hire the very best people in the industry.

The hiring of individuals, particularly those from within local communities, plays its part in Nordgold's aim to support community development. Being a responsible member of the local communities in which the company operates is a central merit of the way it does business. Indeed, it sees it as a vital part of its role to invest in those communities and help them develop.

As part of its efforts Nordgold brings in electricity, water, infrastructure and transport. In many areas, it also assists the local population in gaining access to education and health services. The company is focused on mutual respect and dialogue with local communities and government organisations, and meets all of its legal and tax obligations.

Last, but by no means least, is the company's commitment to taking care of the environment. Nordgold's recognises the fact that it operates within a hazardous industry, however in doing so it makes every effort to take the utmost care in ensuring that it causes little if any damage to the environments in which it works.

LYCOPODIUM

Lycopodium has a significant success record in the development and commissioning of projects, often pioneering the introduction of modern process plants and associated technologies to remote and logistically challenging locations. The company has an international reputation for delivering projects which consistently meet or exceed all project criteria and performance targets. Lycopodium's experience in Burkina Faso and the West African region comprises over 30 projects, including the Bissa Gold Project for Nordgold. This provides Lycopodium with the advantage of recent and relevant project development experience in West Africa, including knowledge of logistics, contractors, and community. The company has been active in the mineral processing industry for



Burkina Faso - support of local business initiatives - Weaving

over 20 years and has designed and built processing plants starting at throughputs from 350,000 tpa to 55 Mtpa. Their history in mineral processing and mining, coupled with the proven capabilities of their low cost value-adding design and drafting, provides the ability to offer their client a cost effective project outcome. Lycopodium has also produced a unique and successful model for the execution of projects in Francophone Africa, which has been developed over a number of projects. Lycopodium employs dual French/English translators with local capabilities and connections, ensuring the smooth delivery of information and clear communications to facilitate the successful delivery of projects.

www.lycopodium.com.au



... a partner of growth



Vegetable production at Bissa community

OUR SERVICES...

Mining

Since 1992, FTE Drilling maintains a constant and active presence in the mining sector in Canada and West Africa. Whether it is for exploration projects or for mines already in exploitation, FTE Drilling offers services ranging from core sampling (RAB – RC – DD) to grade control to help mines increase their productivity.

Drilled piles

The economic development of Canada involves the construction of infrastructure in very difficult places, sometimes. That's why, over the years, our clients are asking us to meet challenges. FTE Drilling has developed an enviable expertise in vertical and angle piling or caissons in small and large diameters. From the new construction to the maintenance of existing infrastructure, in coastal environment as in the heart of the most major centers, FTE Drilling is proud to contribute to the expansion and maintenance of Canadian work.

“A very significant key to our success over the last 15 years has been the renewed partnerships with aboriginal communities”

OUR LOCATIONS...

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One of the company's major targets for this year is for all of its operating mines to be free cash flow positive by the end of 2014. It intends to achieve this by applying a forensic approach to cost management, diligent capex spend and working capital optimisation. Despite significant recent gold price volatility, Nordgold consolidated operations remained FCF-positive in 2013 with consolidated all-in sustaining costs reported at US\$1,062 per ounce for the same period.

A combination of Nordgold's flexible capex, estimated to be US\$200 million

in 2014, reduction of general and administrative expenses, improvements in operational efficiency, as well as the on-going implementation of Nordgold's Business System, which is expected to add US\$55 million to 2014 EBITDA, are keys to ensuring the company remains focused on driving down costs.

Nordgold's efficiency programmes are also showing positive results with growing plant and fleet productivity at key mines, while the company has also successfully reduced consumption of key materials and



Bissa Crashing

“Going forward the company will seek to develop the existing pipeline of high quality greenfield and brownfield projects through focused exploration expenditure”

administrative expense. Furthermore, it has significantly strengthened its senior operational management team, making new hires with proven expertise. This is expected to help Nordgold to progress with its on-going efficiency improvement initiatives.

Nordgold has an extensive pipeline and a proven track record of greenfield development. A perfect example of this would be the Bissa mine, which was launched on time and on budget and has significantly exceeded initial production forecasts.

Going forward the company will seek to develop the existing pipeline of high quality greenfield and brownfield projects through focused exploration expenditure. To supplement the organic growth pipeline, Nordgold will also seek to capitalise on other opportunities through the evaluation of potential purchases of premium-quality reserves and resources, which comply with its project criteria, to further enhance its reserve base. **BE**

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