



**Norseman Gold**

**Growth Story of a Debt Free  
Australian Gold Producer**



**Investor Presentation  
21 April 2009 - Minesite**

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# Investment Snapshot

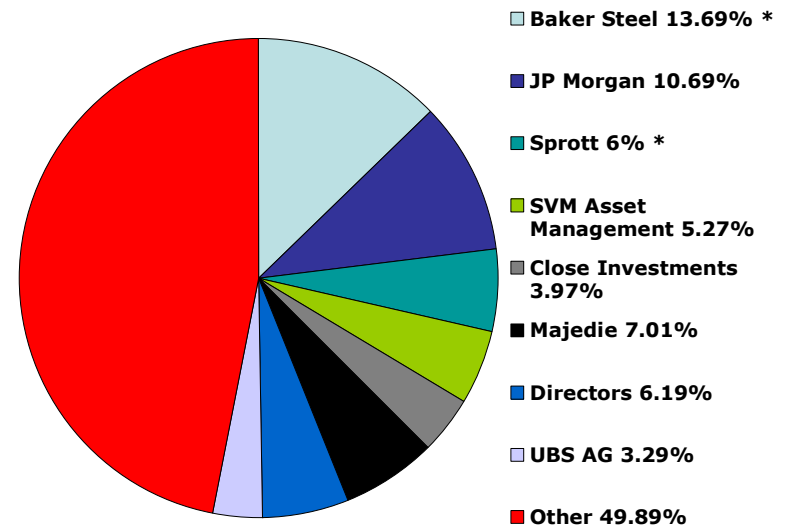


- **Established production history** – profitable and highly cash generative gold producer focused in Western Australia
- **Producer** – total production 75,000 to 80,000 oz gold on track for year to 30 June 2009
- **Profitable** - operating profit of A\$4.37 million for six months ended 31<sup>st</sup> Dec 2008 - currently trading on forward PE of 2x FY 2009
- **Increasing production** – on target to increase production to 90,000 oz gold per annum in 2010 and targeting 114,000 oz gold per annum in 2011
- **Reducing cash operating costs** – currently A\$720 to A\$750 per oz gold - aim to reduce cash cost to less than A\$600 per oz – current gold price of circa A\$ 1,250 per oz
- **Significant JORC compliant ore resource** – recently increased by 80% to 21 Mt at a grade of 5.4 g/t for 3.6 million oz gold
- **Third mine** – exploration and mine rehabilitation effort gaining momentum and resource drilling programmes ongoing with the aim of establishing a third mine during year to June 2010
- **Financially strong** – positive cash position, debt free, no hedging and positive cashflow
- **Undervalued relative to peer group** - broker estimate of discount of 80% to DCF (assuming US\$900 oz gold, US\$/A\$0.70, 12% discount rate)
- **ASX Listing** and promotion planned
- **Dividends** to look forward to

# Key Data



- Market AIM
- Ticker NGL
- Share price 15.75p (16.04.09)
- Market capitalisation £23 million
- Shares in issue 146,040,000
- Nom Advisor/Joint Broker Blue Oar Securities
- Joint Broker Ocean Equities
- Market Makers WINS, SCAP, EVO

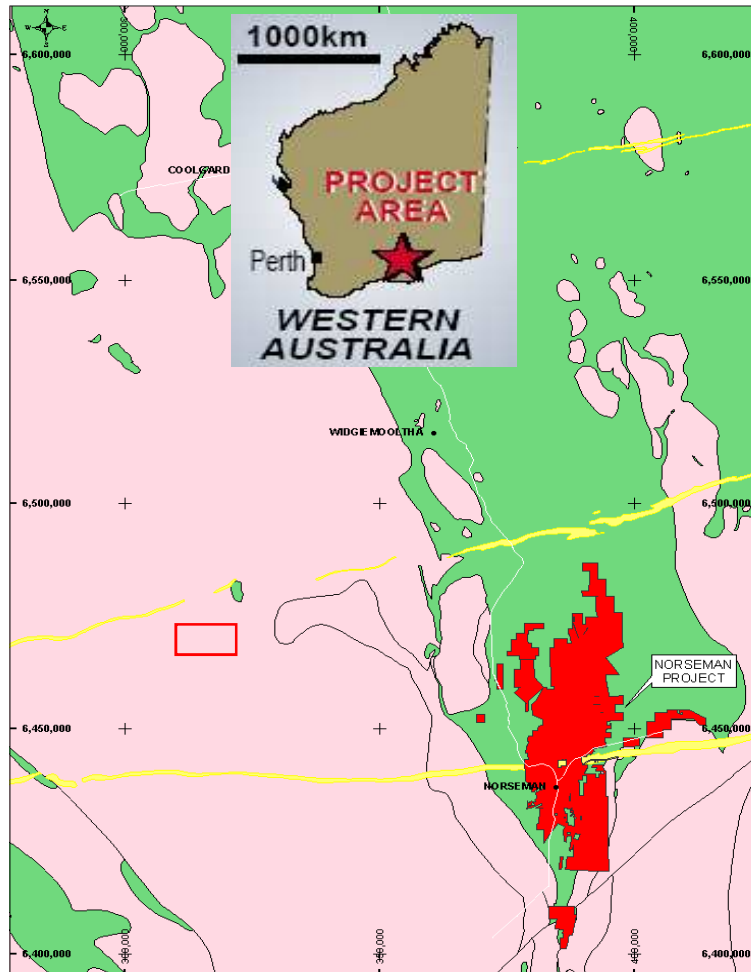


\* Recent new shareholders

## Directors Shareholdings

- 6.2% - Currently
- 10.3% - Post Management Shares to be issued 24 April 2009

# Location



- Located in the Eastern Goldfields of Western Australia in the Norseman-Wiluna greenstone belt - 725km east Perth & 186km from Kalgoorlie
- 745 sq km area centered on the Norseman Township (population 800)
- Landholding comprises 179 contiguous tenements consisting of 13 Exploration Licences, 106 Mining Licences, 45 Prospecting Licences, 15 Miscellaneous Licences and 29 Mining Lease Applications
- Good regional infrastructure with railway links, airstrip and hospital
- Good site infrastructure
  - Site generated power
  - Water - Borefield (saline), State Scheme (potable)
  - Accommodation - owns 64 houses plus single persons quarters and messing facilities

# The Norseman Gold Mine – The New Team



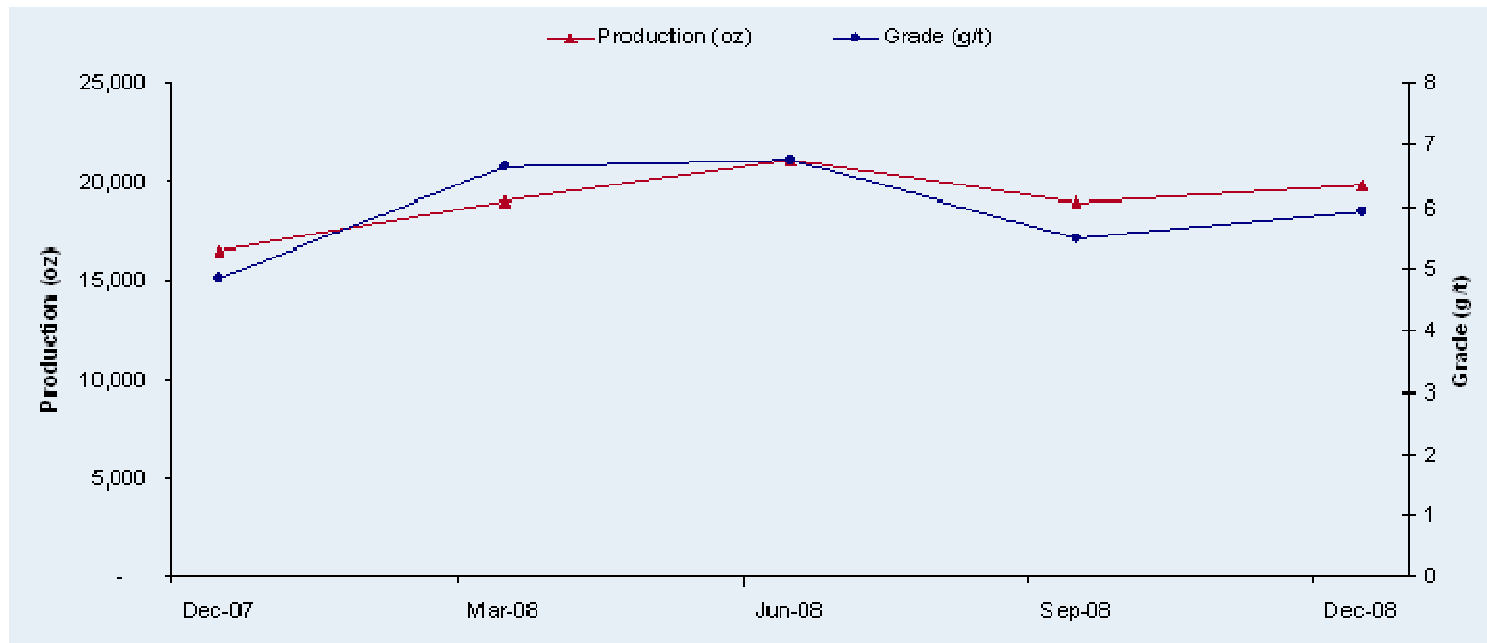
- Australia's longest continuously operating gold mine - in excess of 5.5 million oz produced since 1937
- New experienced management/ownership team revitalising and expanding the Company
- Total production 38,838 oz gold for six months ended 31<sup>st</sup> Dec 2008 at operating cost of A\$773 (producing operating profit of A\$4.37 million) – targeting 75,000-80,000 oz for full year June 2009 and on track
- Projected operating cash costs when at full production capacity of approx A\$600 per oz gold
- Over A\$25 million capital expenditure spent in 24 months on improving operational efficiency
- JORC compliant resources increased by 80% to 21 Mt at a grade of 5.4 g/t for 3.6 million oz gold over last 12 months
- Excellent exploration potential within proven world class mineral field - drilling commencing

# Production



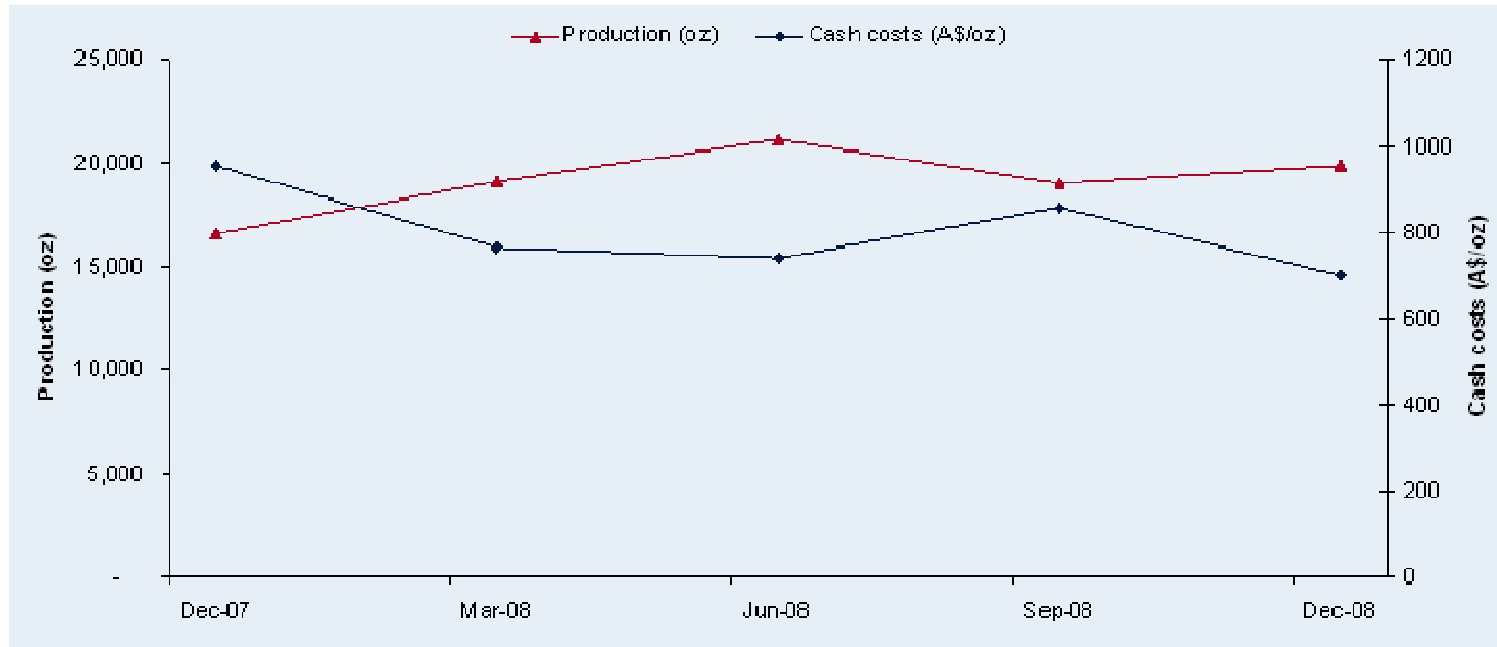
		<i>3 months to 31/3/2008</i>	<i>3 months to 30/6/2008</i>	<i>3 months to 30/09/08</i>	<i>3 months to 31/12/08</i>
Capital Development	metres	321	187	273	508
Ore Development	metres	1,114	1,166	1,291	1,260
Development	tonnes	27,855	34,042	39,369	38,652
Grade	gAu/t	4.6	3.65	4.21	4.39
Mechanised Stopping	tonnes	5,922	5,537	9,309	7,569
Grade	gAu/t	6.48	9.03	7.54	3.64
Airleg Stopping	tonnes	43,576	50,325	47,609	52,250
Grade	gAu/t	9.41	9.58	7.2	8.06
U/G Production	tonnes	77,353	89,904	96,287	98,471
Treated Tonnes	tonnes	92,573	99,993	110,556	105,507
Grade	gAu/t	6.67	6.76	5.47	5.94
Recovery	%	96.20%	97.10%	97.80%	98.30%
Recovered Ounces	ozs	19,088	21,116	19,007	19,831

# Production and Grade



Source: Blue Oar

# Production and Cash Cost



Source: Blue Oar

# Expansion Plans



- Advanced exploration programmes and rehabilitation of previous operating mines commenced to fill existing mill, currently operating at two thirds capacity - production can reach over 125,000 oz gold
- North Royal Open Pit (March 2010), the OK Underground Mine (November 09) and the Crown Reef Underground Mine to increase production during FY 2010 and subsequent years
- Expansion to be financed internally
- Increased resource base by 80% from 16.0 Mt at a grade of 4.0 g/t gold for 2.0 Moz as at March 2008 to 21.0 Mt at a grade of 5.4 g/t gold for 3.6 Moz as at February 2009. Grade is king!
- Surface exploration about to commence within existing resources - plenty to do within our existing tenement boundaries!
- Production costs targeted to fall to below A\$600 oz gold or US\$420
- Scope for production targets to be exceeded

# Resource – Reserve Base



	<b>Mt</b>	<b>Grade (g/t)</b>	<b>Contained oz (Moz)</b>
<b>Reserves</b>	1.2	8.2	0.3
<b>Resources</b>	21.0	5.4	3.6

- Exploration for quarter Dec 2008 increased resource base 80%
- Resource base - 21.0 Mt at a grade of 5.4 g/t gold for 3.6 Moz as at February 2009
- Reserves of 3 – 4 years still considered low by stock market but have been same for 60 years. Mine the gold or drill to increase reserves to appease stock market?  
Currently producing approx 30% outside of reserves

# Corporate



- Strong run in share price from low base in January 2009, stock hit previously by distressed selling and debt concerns – what wasn't?
- Successful £5m placing at 8p in February 2009
- All convertible notes debts of A\$15m repaid for A\$10m in April 2009 - now debt free and positive cash
- Strong institutional shareholder base - Baker Steel, JP Morgan and Sprout account for 30% of the share register
- Broker DCF at 12% discount rate is 85p at a gold price of US\$900 / oz and FX rate of US\$0.70 /A\$
- Consolidation plays of gold producers in Australia have begun
- ASX listing by end of May 2009 to encourage wider institutional and retail following with small capital raising to further build balance sheet

# Board and Management



- **Vince Pental – Chairman**

Extensive experience in banking and corporate finance in industry and mining in Australia. He is chairman of ASX listed Brandrill Ltd and director and major shareholder of Oakvale Capital Ltd, which provides independent advice on financial risk management to leading companies, government authorities and institutions throughout Australia. He also served as Chairman of ASX listed Austral Coal Limited and Perilya Limited and is a foundation/life member of the Kalgoorlie Mining Hall of Fame.

- **Barry Cahill – CEO**

A mining engineer with over 20-years experience in operational mining and management throughout Australia. He has had extensive experience in the management of underground and open pit mines as both a mining contractor and an operator. His area of expertise has an emphasis on the recovery of poorly performing operations to a profitable standard particularly in narrow vein underground mines. He has been an executive director of a number of public companies including managing director of ASX listed Australian Mines Limited. He is a member of the Australasian Institute of Mining & Metallurgy and a member of the Australian Institute of Company Directors.

- **David Steinepreis – Executive Director**

A Chartered Accountant and former partner of KMG Hungerfords (now KPMG) where he specialised in strategic corporate advice and taxation for listed companies. He entered commerce as a director, adviser and major shareholder of a number of listed companies in the gold, diamonds, oil and new mining technology sectors. He is a director of ASX listed Black Fire Energy Ltd, Atom Energy Ltd and Southern Pacific Petroleum NL and AIM listed North River Resources plc. He has previously been a director of Ascent Resources plc and Uranium Resources plc, companies listed on AIM. He is also chairman of Ascent Capital.

- **Gary Steinepreis – Finance Director**

A Chartered Accountant who holds a Bachelor of Commerce degree from the University of Western Australia. He provides corporate, management and accounting advice to a number of companies involved in the resource, technology and leisure industries.

- **Michael de Villiers – Non-Executive Director**

Qualified as an Accountant with Ernst & Young in Cape Town. He is the finance director of Mercator Gold plc, listed on AIM. He gained his experience as financial manager at mining and chemicals operations in Namibia, Botswana, Ghana and Bulgaria. He was previously the finance director of Oxus Gold plc and Navan Mining plc, companies listed on AIM. He is currently a director of Ariana Resources Plc and Mercator Gold Plc.

# Norseman Peer Ranking



## **NGL compared to the twelve other Australian producers**

1. Ranked 6<sup>th</sup> on produced gold
2. Ranked 4<sup>th</sup> on resources
3. Ranked 11<sup>th</sup> on market capitalisation
4. Ranked 2<sup>nd</sup> on EBIT for Half Year to 31 December 2008

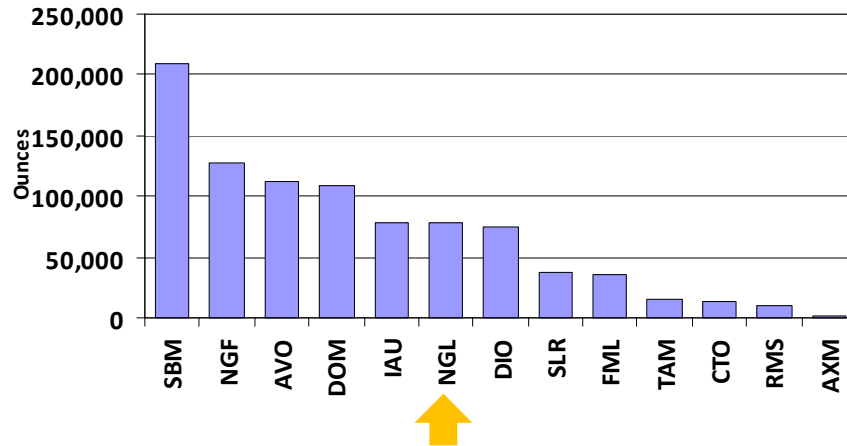
## **UNDERVALUED?**

\* December 2008 Half Year Results. Market Capitalisation as at 26 March 2009

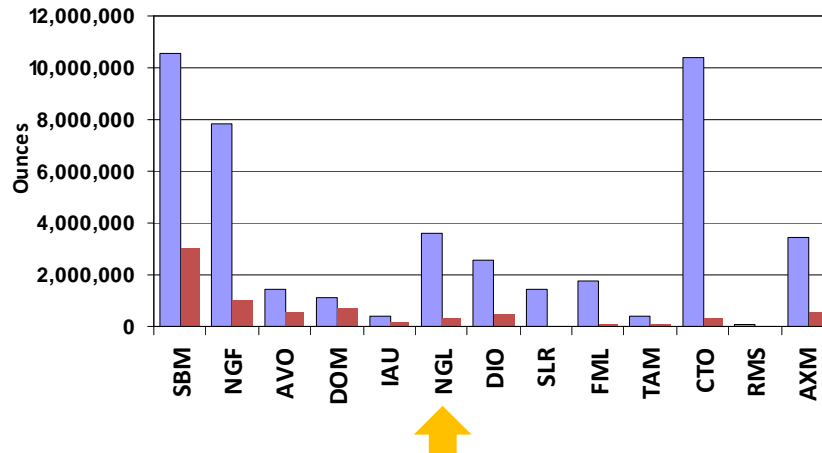
# Australian Gold Producers Comparison



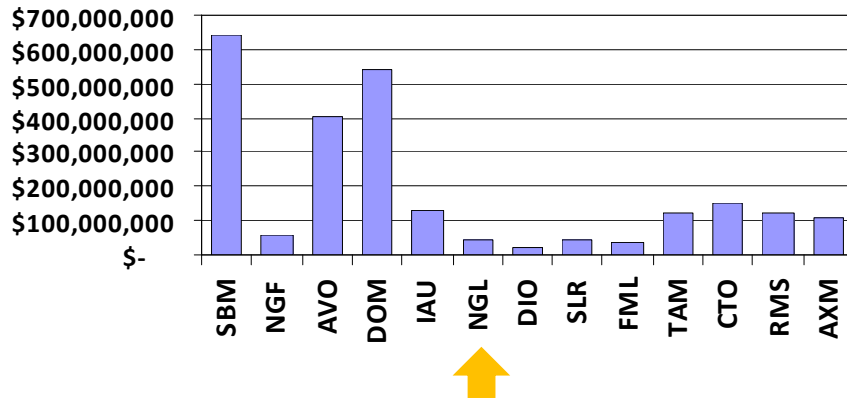
Graph 1 - Annualised Production



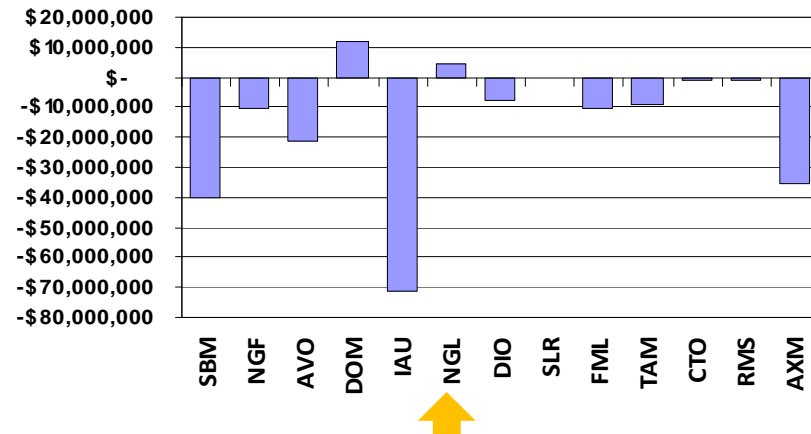
Graph 2 - Resource & Reserve



Graph 3 - Market Capitalisation



Graph 4 - EBIT for Half Year to December 2008



# Summary



- Focused gold producer, delivering solid production growth
- Management highly experienced in operations, mine development and restructuring
- Established production history with targeted production of 75,000-80,000 oz gold for 12 months to June 2009 increasing to 90,000 oz gold per annum in 2010 and then targeting 114,000 oz gold per annum in 2011
- Projected operating cash costs at approximately A\$600 per oz gold - currently A\$720 to A\$750 per oz of gold
- Transformed operating efficiency through capital investment and cost reductions
- Balance sheet with healthy cash position and profitable with no hedging or debt
- Defined exploration programmes within existing resources to extend mine life commenced
- Significant value uplift potential – trading on a forward PE of 2x - one of the cheapest gold mining producers on AIM and ASX
- Building a new investor base - listing on ASX

# Contacts



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