



Norseman Gold Plc
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ASX: **NGX**

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Norseman Gold Plc

September Quarterly Update

Norseman Gold Plc (**Norseman** or **Company**) sets out an operational update for its principal operating subsidiary Central Norseman Gold Corporation Pty Ltd (**CNGC**).

Completion of Remnant Mining Operations at Harlequin & North Royal

As stated in the Company's update dated 2 May 2014, CNGC was focussed on a remnant mining program at its underground mines at Harlequin and Bullen and had commenced removal of various pillars at North Royal by open cut.

CNGC completed the removal of the Crown Pillar at Harlequin by a combination of underground and open cut mining. The Contractors engaged to undertake the extraction of the Crown Pillar are no longer engaged.

The remnant mining operations at North Royal have also been completed.

Continuing Operations

The underground operations at Bullen are continuing. The Company engaged consultants to seek to identify new areas to mine at Bullen and the Contractors have adopted some new mining techniques to focus on grade recovery and reduced dilution. The Bullen operation is continually reviewed to ensure that mining is economically viable.

Further, the HV2 vein at Harlequin was reassessed and is currently being mined via open cut mining. This is expected to complete early next month.

As foreshadowed in the previous update, work has continued in relation to the possibility of processing the Phoenix Tails and waste dumps. A production schedule for processing various low grade mineralised waste dumps and stockpiles is currently being developed and trial processing commenced this week.

Further, alternative processing routes are being investigated to process some of these stockpiles. CNGC is currently trialling a trommel at the North Royal waste dumps.



Production Results

In regards to the current operations, gold produced and sold from the Norseman Gold Project for the period 1 July 2014 to 30 September 2014 was 9,183.81 ounces at an average price of A\$1,384 per ounce.

The operations remain un-hedged.

The Plant

Work to upgrade the Phoenix Mill has commenced.

Mainfields Project

In the past quarter, significant work has been undertaken in collating, reviewing and reanalysing considerable historical geological data in relation to the Mainfields area. This area covers over 2 km along the Mararoa Reef and Norseman Reef from Browns in the south to Northern Star in the north centred around the current plant and administration infrastructure.

This work will be a focus for the Company over the next 6 months as the Company continues to seek to identify new mining opportunities.

Gold Exploration

Following detailed work to identify potential gold exploration targets, an initial RC drill program was devised and drilling has commenced at Killaloe Hill, Cobbler and Leatherjacket.

Once the assay are received, collated and reviewed, the Company will release the results.

Nickel

In addition to the gold exploration program, considerable work has been undertaken in relation to the nickel potential at Norseman. Nickel was identified at Talbot Island in the 1990's. RC drilling has recently been completed at Talbot Island and nearby Jimberlana Station and there are plans for 2 diamond tails to finish off the RC drill holes.

Once the drilling is finished and the results are analysed, the Company will release the results.

Other Projects

Work is underway assessing the viability of the iron-ore deposits on the Company's tenements and the economic potential of the gypsum deposits.

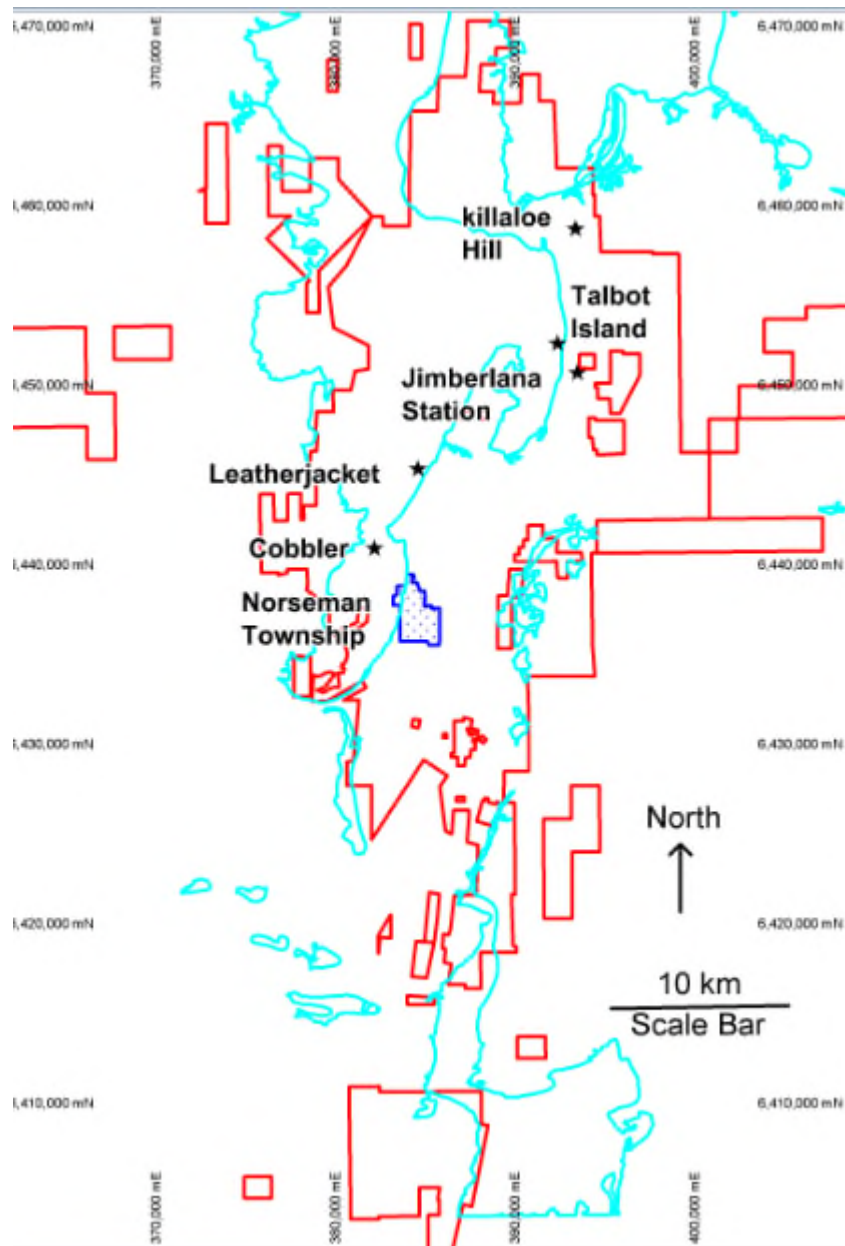


Figure 1: Location of drilling targets

Financial Update

For the period 1 April 2014 to 30 September 2014, the Group has traded profitably, although no interest has been paid. The Company's Auditors are currently reviewing the financial statements for the year ended 30 June 2013 and work has commenced on the 2014 audit.



Corporate

While the Company remains suspended from the ASX, on 1 August 2014 CNGC converted from a public company to a proprietary company.

As reported on 18 July 2014, the UK Noteholders resolved to accept the Company's offer and the £5,087,000 Secured Convertible Loan Notes 2013 have been cancelled.

The Group continues to rely on the support of the major shareholder and secured lender, Tulla Resources Group Pty Ltd and related entities.

The Company's AGM will be held in December 2014.

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