



March 2013 Quarterly Activities Report

HIGHLIGHTS

Corporate

- A\$85m capital raising completed
- Investec project loan facility and unsecured short-term loan from Resolute Mining repaid in full
- Mr Peter Beilby and Mr John Welborn appointed as Non-Executive Directors
- Mr Craig Dawson appointed CEO in April and commences in June Quarter

Strategic Review

- Joint Technical and Operating Committee formed from senior executives of Noble and Resolute to review the Bibiani Project
- Comprehensive operational review underway to define new mining/processing strategy for Bibiani
- Previous mining strategy is no longer viable and would result in a short term funding shortfall due to major changes in key operational and market related variables including gold price
- The Company is currently reviewing operational scenarios to minimise the risk of a funding shortfall and assessing funding alternatives
- Review initiatives being implemented include an organisational restructure, intensive cost reduction programme, deferral or suspension of low margin operations, preliminary scheduling of higher margin underground operations and a move to contract mining

Bibiani Operations

- 261,101 tonnes of ore mined at 1.38 Au g/t in the quarter
- 10,283oz gold produced (Reconciled, Jan - Mar 2013)
- SAG mill motor failure expected to be repaired and recommissioned in September Quarter



Operations

Safety

There were two lost time injuries during the March quarter. The year-to-date lost time injury frequency rate at the end of March quarter was 1.93. Safety monitoring has been intensified to ensure ongoing adherence to Company HSE rules.

Production Summary

Quarter	Ore Mined (t)	Mine Grade (g/t)	Total Mined (t)	Ore Milled (t)	Mill Grade (g/t)	Mill Recovery (%)	Total Production (Gold Oz)
Mar 2013	261,101	1.38	2,560,947	274,606	1.34	86.7	10,283
Dec 2012	255,000	0.81	2,767,831	332,029	0.94	84.2	8,440
Sep 2012	315,213	0.94	1,957,809	334,876	0.88	77.6	7,322
Jun 2012	336,272	0.92	2,270,435	347,000	1.13	70.0	8,857

Mining

During the March quarter, mining was concentrated around the Aheman, Strauss and Strauss South deposits. Mill feed was augmented by the processing of tailings material which requires less crushing. A total of 2,560,947 tonnes of material was mined including 261,101 tonnes of ore. The average ore grade for the quarter was 1.38 g/t.

Processing

The procurement of equipment, spares and consumables required to complete refurbishment and recommissioning of the 3Mtpa Bibiani Processing Plant was progressed during the quarter.

Processing operations were impacted by the failure of the SAG mill motor in March. As an interim measure the SAG mill was bypassed and ore was processed only through the ball mill. A mobile crusher has been sourced to enable the processing of harder ore. The SAG mill motor has been sent to France for repairs and is expected to be returned, reinstalled and recommissioned early in the September quarter.

The failure of the SAG mill motor resulted in lower processing rates which contributed to a negative cash-flow result for the quarter.

Joint Technical and Operating Committee – Project Review

On 21 March 2013, the Company announced that a wide-ranging review of the Bibiani Project would be completed by the Joint Technical and Operating Committee which comprises members of the senior management teams of Noble and Resolute. The comprehensive review is examining Bibiani's resources



and reserves, current optimisations, pit design, mine scheduling, operating strategy, ore processing methods and exploration approach.

The review is ongoing however the planning and execution of a number of initial recommendations have been accelerated, in part due to the recent volatility in the gold price. The cashflow negative performance of certain satellite pits, exacerbated by the fall in the gold price experienced in April, has resulted in a more aggressive prioritisation of strategies designed to increase productivity and the financial performance of Bibiani. This is important for the long-term sustainability of the mine and all of its stakeholders.

Revised Operational Strategy

The Noble Board has directed that a base case gold price of US\$1300/oz must now be applied to all mining operations compared to the previous \$1500/oz. This reflects the expected near-term volatility in the gold price and a focus on producing higher margin ounces. This revised gold price assumption has been applied to the Company's resources and reserves which will result in a reduction and reclassification of material. An updated statement will be released early in the September quarter.

An overarching change in approach will be the move away from lower margin satellite open cut operations and the originally planned high capital cost cut-back of the main pit. Instead Noble now intends to defer the commencement of lower margin surface mining operations and prioritisation of a move towards high margin underground mining.

In line with this strategy, mining of the Grasshopper open pit has been deferred indefinitely. The size, scope and timing of the Walsh open pit is under review with the mining of the Aheman and Strauss-South open pits continuing as planned which will see mining cease in the June quarter 2013. The current schedule for the Strauss open pit shows it to be mined until the December quarter 2013.

The change in operating strategy will necessitate a revision of planned capital works in the Bibiani Plant to cater for the processing of lower volume, higher grade material. In particular, the planned capital expenditure for the process plant has been reviewed and prioritised.

As part of the operational review, management is assessing the potential funding shortfalls that may arise from the changes to operational strategy.

Underground Resource Drilling

Resources that are interpreted to be accessible by underground mining methods currently exist at Bibiani. Planning is underway to conduct a drilling program in order to re-categorise a large portion of this material into an underground ore reserve. Subject to receiving EPA approval, drilling is expected to begin in the June quarter which is expected to lead to the re-establishment of an underground mining operation in the March Quarter 2014.



Contractor Engagement

The review has determined that all mining and drilling activities will now be outsourced to contracting groups. All surplus mining and drilling equipment is to be sold, providing more flexibility with regards to future operational strategies.

Bibiani Processing Plant

Due to the impact of the SAG mill motor failure and as part of the cost saving initiatives introduced in the operational review, the process plant has commenced campaign milling on a 3 x 8hr shift, 5 days a week roster.

Development Drilling

Drilling during the quarter was limited to grade control drilling at the Strauss South deposit. Permitting processes were advanced with the relevant authorities ahead of a number of identified exploration activities planned for the July drilling season. Drilling of the existing underground resource is the key priority.

Exploration

All surface exploration drilling has been suspended in order to conserve available funds. The review has determined that all mining and drilling activities will now be outsourced to suitable drilling contractors with surplus mining and drilling equipment to be sold.

Corporate

Convertible Notes Issue

During the period under review, the Company completed a A\$85 million capital raising process, by way of a combined 1:1 rights issue and placement of ASX listed Convertible Notes at an issue price of A\$0.12 each, including the issue of 706,568,933 Convertible Notes to major shareholder Resolute (ASX: RSG).

Repayment of Liabilities

Following the receipt of funds from the capital raising process, Noble subsequently settled both its Investec Project Loan Facility, and Resolute's US\$15 million unsecured short-term loan in full, through payments of US\$18.77 million and US\$15.35 million respectively.

In addition, the process of reconciling and paying down the Company's trade creditors was progressed during the period with \$30.81 million outstanding at the end of the quarter.

Operational Performance

Noble's Board and management recognises that the current financial performance of the operations is unsustainable. A major organisational restructuring has commenced and a number of far reaching operational management initiatives have been put in place to cut operating costs and reduce overheads.



The Company will continue to update shareholders on the operational measures being undertaken to rectify this financial performance.

As a consequence of the current restructuring, the change in strategic direction around the mining and processing and the recent gold price weakness, the Company has identified a potential funding shortfall. The Company is currently reviewing scenarios to minimise the risk of a funding shortfall and assessing funding alternatives.

Rothschild Dispute

Post the end of the quarter, the Company lodged an application with the Supreme Court of Western Australia to set aside a Statutory Demand made by Rothschild Australia Limited in the amount of \$4.7 million. The Statutory Demand relates to payment of fees connected to the recent \$85 million underwritten rights issue and placement of listed convertible notes (**Offer**), as detailed in the Company's prospectus dated 23 January 2013. The Company is in dispute with Rothschild Australia Ltd as to Rothschild Australia Limited's entitlement to any fee. The Company believes that the outcome of this dispute will not have any material adverse impact on the previously contemplated costs of the Offer.

Board and Executive Changes

As part of the Company's Board renewal process a number of appointments were made during the quarter. Two new Non-Executive Directors, Mr Peter Beilby and Mr John Welborn, were appointed with effect from 1 March 2013.

Mr Beilby, currently General Manager of Operations for Resolute Mining Limited, joins the Board as Resolute's representative. Mr Beilby is a qualified mining engineer with more than 25 years of operational and project experience in gold, base metals and mineral sands. Prior to joining Resolute in 2010, he was General Manager of Iluka's Murray Basin minerals sands operations. He has a strong background in greenfields and brownfields development and operations management of both open cut and underground gold mines. In addition, through his current role with Resolute, Mr Beilby brings valuable experience in gold mining in both West and East Africa.

Mr Welborn is the Managing Director and Chief Executive Officer of Equatorial Resources Ltd, an ASX listed iron ore exploration and development company with projects in the Republic of Congo. Mr Welborn has extensive experience in the natural resources sector, as a senior executive in corporate management, finance and investment banking. He has held previous roles as managing director of a listed resources company, and as head of specialised lending in Western Australia for Investec Bank (Australia) Ltd. Mr Welborn is a Chartered Accountant who brings more than 15 years' senior management experience gained with national and international professional services and management consulting firms.

In addition, as announced on 26 April 2013, Mr Craig Dawson was appointed as the Company's Chief Executive Officer with effect from 22 July 2013. He is an experienced mining engineer, holds an MBA from the University of Western Australia, is a member of the Australasian Institute of Mining and Metallurgy, and is a Graduate Member of the Australian Institute of Company Directors. He has more than 27 years experience in the Australian mining industry, in underground and surface gold, copper, nickel and uranium operations.



Mr Dawson joins Noble from Sandfire Resources NL where he served as General Manager Operations. Prior to this he worked in senior management positions with Aditya Birla Minerals Limited and Northern Mining Limited. Between 2002 and 2008, he held several senior operational roles with LionOre/Norilsk Nickel Australia.

About Noble Mineral Resources Limited

Noble Mineral Resources Limited (ASX: NMG) is an emerging gold producer, focused on exploring and developing gold assets in the goldfields of Ghana, West Africa.

The Bibiani Project, located in the Sefwi-Bibiani Gold Belt in western Ghana, is Noble's flagship asset. The Sefwi-Bibiani Gold Belt is host to a number of existing, large-scale gold mining operations, including the Ahafo and Chirano mines.

In addition to the Bibiani Project, Noble has interests in the Cape Three Points, Brotet, Tumentu and Nakroba exploration projects, all located in the Ashanti Gold Belt in southern Ghana.

ASX Code: NMG

www.nobleminres.com.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10

Name of entity

NOBLE MINERAL RESOURCES LIMITED

ABN

36 124 893 465

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

	Current quarter \$US'000	Year to date (9 months) \$US'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	13,982	43,696
1.2 Payments for		
(a) exploration and evaluation	-	(942)
(b) development	(22,878)	(53,018)
(c) production	-	-
(d) administration	(7,823)	(20,073)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	93	102
1.5 Interest and other costs of finance paid	(412)	(1,777)
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(17,038)	(32,012)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(677)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	5	5
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	5	(672)
1.13 Total operating and investing cash flows (carried forward)	(17,033)	(32,684)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(17,033)	(32,684)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	8,662
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	87,139	102,139
1.17	Repayment of borrowings	(34,529)	(41,518)
1.18	Dividends paid	-	-
1.19	Other (convertible note offer costs)	(956)	(956)
	Net financing cash flows	51,654	68,327
	Net increase (decrease) in cash held	34,621	35,643
1.20	Cash at beginning of quarter/year to date	4,262	3,327
1.21	Exchange rate adjustments to item 1.20	916	829
1.22	Cash at end of quarter	39,799	39,799

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$US'000
1.23	Aggregate amount of payments to the parties included in item 1.2	726
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' remuneration	156
Director's termination	570

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$US'000	Amount used \$US'000
3.1 Loan facilities	99,982	94,482
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$US'000
4.1 Exploration and evaluation	(440)
4.2 Development	(39,858)
4.3 Production	-
4.4 Administration	(5,485)
Total	(45,783)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$US'000	Previous quarter \$US'000
5.1 Cash on hand and at bank	8,261	4,262
5.2 Deposits at call	31,538	-
5.3 Bank overdraft	-	-
5.4 Other (Debt Service Reserve)	-	-
Total: cash at end of quarter (item 1.22)	39,799	4,262

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities <i>(description)</i>	-	-		
7.2 Changes during quarter: (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 +Ordinary securities	666,397,952	666,397,952		
7.4 Changes during quarter: (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-		
7.5 +Convertible debt securities <i>(description)</i>	708,333,333	708,333,333	Conversion price A\$0.12	Conversion date 1 March 2016
7.6 Changes during quarter: (a) Increases through issues (b) Decreases through securities matured, converted	708,333,333	708,333,333	A\$0.12	1 March 2016
7.7 Options <i>(description and conversion factor)</i>	69,012,233 28,985,539 6,000,000 4,250,000 19,271,730 5,000,000 1,140,000 28,125,001	69,012,233 28,985,539 - - - - - -	Exercise price A\$0.35 A\$0.48 A\$0.20 A\$0.40 A\$0.83 A\$0.55 A\$0.31 A\$0.20	Exercise date 21 July 2013 1 May 2015 8 July 2014 19 August 2014 30 November 2014 31 October 2015 4 July 2015 30 September 2015
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: **30 April 2013**
(Acting CEO)

Print name: **Brian Thomas**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities:** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.