



Norseman Gold Plc
ARBN 122 088 073

Unit 1
20 Teddington Road
Burswood WA 6100

P.O. Box 843
South Perth WA 6151

Tel: (08) 9473 2200
Fax: (08) 9473 2299
www.norsemangoldplc.com
Hinvestors@ngold.com.au

31 July 2012

ASX: NGX
AIM: NGL

NORSEMAN GOLD PLC

(‘Norseman Gold’ or ‘the Company’)

Update and Three-Month Report on Activities for the quarter ended 30 June 2012

Norseman Gold plc (the **“Company”**), the ASX and AIM listed gold producer is pleased to provide an update on operations at its Norseman Gold Project and the continued restructuring programme being implemented to improve its operational and financial performance.

OPERATIONS

General

The Company’s ongoing review of its Norseman Gold Project operations during the period has focused on the following:

- a. Improved planning including upgraded block models
- b. North Royal open-pit and Harlequin underground mines
- c. Operational improvements including grade control and reconciliation processes
- d. Control of expenditure
- e. Review of manning levels
- f. Upgrading of mine-site accommodation and dining facilities
- g. Senior management and board restructuring

Harlequin Underground

Harlequin underground operations during the period continued in the HV1 and 6 sections.

North Royal Open Cut

North Royal open cut operations continued with work occurring in both north and south zones of the pit. Mining has now progressed through the oxide zone into fresh rock. At this point the Company increased the mining fleet to 2x EX2150 excavators and 12x CAT777 dump trucks.

PRODUCTION

Gold production for the quarter ended 30 June 2012 was 6,402 ounces, an increase of 2.3% from the previous period.

Underground capital development at the Harlequin underground was 442.2 metres and operating development 292 metres.

Ore tonnes hoisted from Harlequin underground was 18,320 tonnes and ore tonnes from the North Royal open cut pit was 64,429 tonnes.

EVENTS SUBSEQUENT TO REPORTING PERIOD

Corporate

Following the completion of the quarter, the Company finalised a placement to raise approximately \$25 million through the issue of 625 million new shares to institutional investors ("Placement"). The Placement has been managed by Moelis Australia Advisory Pty Ltd, Ocean Equities Limited and Northland Capital Partners Limited.

The Company's major shareholder, Tulla Group, has underwritten \$20 million of the total issue for cash of \$12m and conversion of existing debt of \$8m.

The funds raised from the Placement will be used to fund the Company's working capital requirements including the reduction of existing creditors.

The Placement is being processed in two tranches with the first tranche of approximately \$3m, involving approximately 74 million new shares, which is not conditional upon shareholder approval, completed on 26 July 2012. The second tranche of approximately \$22 million, involving approximately 551 million new shares, will require receipt of shareholder approval at a general meeting to be held on or around 23 August 2012.

Upon Mr Kevin Maloney assuming the role of Executive Chairman on 20 July 2012, the Board commissioned a Critical Risk Assessment of operations, along with a strategic review of all business operations.

Harlequin Underground

Harlequin underground operations were suspended by the Company following communication with the Department of Mines and Petroleum. The critical issues identified relate to the maintenance of appropriate training records for mines rescue at Harlequin. At that stage, it was considered to be a temporary situation. However, as part of its ongoing review of the operations, further evaluation of the safe operation of Harlequin being carried out by the Company in late July, identified a range of safety deficiencies which requires a rectification plan and remediation. This work required to be completed before the Board is prepared to reinstate operations at Harlequin. At this stage it is expected a period of 2-3 months will be required to recommence Harlequin production, during this period North Royal production will be flexed to meet the existing targets of 17,000 ounces for the next quarter and be on track for the 80,000 ounces targeted for the year ending 30 June 2013.

The suspension of production activities at Harlequin is necessary to provide a safe platform for Norseman to re-establish production. The Company will provide regular updates of progress once its remedial plan is established.

The Board is of the view that taking this action will place the Harlequin underground mine in a stronger position for sustainable long term production.

Financial

As at 30 June 2012, the Company's cash balance was \$1.45 million and a further \$6 million is held as cash backed environmental bond deposits. As noted, subsequent to the end of the reporting period, the Company finalised a placement to raise approximately \$25 million which includes cash of \$17m and conversion of existing debt of \$8m.

Competent Persons – Consent for Release:

The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Hugh Pinniger, an executive of L2 Project Manager-Norseman Pty Ltd, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Pinniger has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Mr Pinniger consents to the inclusion in this announcement of the statements based on this information in the form and context in which it appears.

Forward-Looking Statements:

This regulatory news release contains certain forward-looking statements, which include assumptions with respect to future plans, results and capital expenditures. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. All such forward-looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control. Please refer to the Company's Admission Document available from the Company's web site for a list of risk factors. The Company's actual results could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive there from. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release.

*** * ENDS * ***

For further information visit www.norsemangoldplc.com, email investors@ngold.com.au or contact:

David Steinepreis	Norseman Gold Plc.	Tel: +44 (0) 7913402727
William Vandyk / Rod Venables	Northland Capital Partners Ltd	Tel: 020 7796 8800
Guy Wilkes	Ocean Equities Ltd	Tel: 020 7786 4370
Susie Geliher / Hugo de Salis	St Brides Media & Finance Ltd	Tel: 020 7236 1177

Notes

Norseman Gold plc is an AIM and ASX listed Australian gold production company, which operates the 986 km² Norseman Gold Project, Australia's longest continually running gold operation. Located in the Eastern Goldfields of Western Australia in the highly prospective Norseman-Wiluna greenstone belt, the project currently has a total resource inventory of 3.4 million ounces of gold at an average grade of 4.7 g/t.