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NORSEMAN GOLD PLC
('Norseman Gold' or 'the Company')
Three Month Report On Activities For The Period Ended 31 December 2009

Norseman Gold, the AIM-listed and ASX-listed Australian gold production and exploration company is pleased to announce a three month progress report on its activities for the period to 31 December 2009.

Overview		**3 Months to 31/12/09**	*3 Months to 30/09/09*
Production	oz	**15,721**	*16,160*
Average Realised Gold Price	A$/oz	**1,203**	*1,150*
Operating Cash Cost	A$/oz	**933**	*900*
Project EBIT	A$(m)	**1.2**	*0.3*
Capital Investment	A$(m)	**11.5**	*6.6*
Cash at Quarter End (incl. bullion)	A$(m)	**24.9**	*31.8*

Gold production from the Norseman Gold Project during the three months to 31 December 2009 totalled 15,721 ounces at a cash operating cost of A$933 per ounce gold, generating a profit of A$1.2m. Production is expected to increase steadily in the second half of the financial year.

The Project commenced development at its third mine, OK Decline, during the quarter. The first development ore has been delivered to the surface stockpile and was treated in January 2010. This is the first gold to be recovered from the Company's third mine under its fill the mill strategy and demonstrates the Company's ability to find and develop gold assets within the project area.

Dewatering at North Royal Open Pit has commenced and over 21% of the water volume was pumped by the end of the quarter. The first stage drilling programme has been completed at the southern end of the open pit.

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The preliminary resource estimate for the Perch Reef at the Harlequin Decline returns an Inferred Resource of 48,000 tonnes at 41.0 g/t gold for 63,000 ounces. It is expected that the confidence level of the resource will improve once further drilling and development is undertaken.

The Company's capital investment increased during the quarter with the development of the OK Decline resulting in the expenditure of A$11.5M on exploration, capitalised mine development and equipment.

The Company has revised guidance for its full year forecast to between 75,000 to 80,000 ounces of gold at a cash operating cost of between A$800 and A$850 per ounce in the 2009/10 financial year.

Operating Review

Gold production from the Norseman Gold Project during the three month period to 31 December 2009 totalled 15,721 ounces. The quarterly production continued in lower grade areas, with the focus remaining on capital development to open up areas for future stoping. For the quarter, the Bullen mine contributed 7,442 ounces, and the Harlequin mine contributed 8,251 ounces with 28 ounces from low grade stocks. The project has now produced over 200,000 ounces of gold for the Company since control was assumed in April 2007.

The gold price received during the quarter ranged from A$1,136 to A$1,308 per ounces, with an average price achieved of A$1,203 per ounce. The operations remain un-hedged with a gold price of A$1,210 per ounce at the date hereof.

Production		*3 months to 31/03/09*	*3 months to 30/06/09*	*3 months to 30/09/09*	*3 months to 31/12/09*
Capital Development	metres	590	555	663	767
Ore Development	metres	1,212	1,279	1,617	1,152
Development	tonnes	39,876	36,620	55,327	41,210
Grade	gAu/t	2.50	3.40	2.26	2.98
Mechanised Stoping	tonnes	15,174	18,114	8,018	15,967
Grade	gAu/t	4.19	4.66	2.70	2.61
Airleg Stoping	tonnes	48,665	44,481	42,924	38,082
Grade	gAu/t	9.63	10.73	8.61	8.75
U/G Production	tonnes	103,715	99,215	106,269	95,259
Treated Tonnes	tonnes	102,217	105,025	106,010	96,043
Grade	gAu/t	6.12	6.66	4.86	5.21
Recovery	%	98.9%	98.0%	97.5%	97.7%
Recovered Ounces	ozs	19,902	22,013	16,160	15,721

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During the December 2009 quarter, the Company continued with its capital development programme to access new ore levels to provide development and stoping blocks for future production. The access to higher grade stoping blocks did not proceed as anticipated and the increase in grade to normal levels is moving at a slower rate than expected. However the Company expects the production profile to improve steadily for the next two quarters until the end of the current financial year in June 2010. It is expected that after this time the production profile at the Bullen and Harlequin Declines will be at the planned levels and will proceed in steady state from there.

In October 2009, the Company approved the commencement of the OK Decline. The two year mine life is based on an initial reserve of 57,000 ounces of gold from the OK Main and the O2 Reef. However current drilling of the Star of Erin orebody is expected to result in a favourable revision of the mine life during the March 2010 quarter.

The first OK Decline development ore, mined from the Star of Erin orebody, was delivered to the surface stockpile and treated in January 2010. The initial schedule forecasts 5,000 ounces being mined in the current 2009/10 financial year and 30,000 ounces being mined in the 2010/11 financial year.

The Company expects that the OK Decline will be ramped up and operating in steady state, as planned, by June 2010, so that the company will then have three mines feeding into the Phoenix treatment plant which will offset some of the production fluctuations that have been experienced when operating only two mines. Furthermore, progress on the fourth mine at the North Royal Open Pit will also be more advanced and when this mine starts it will further de-risk the operations production profile. This is the result the Company has spent the last two plus years working towards.

Production for the quarter was 15,721 ounces of gold recovered, below the Company's target production from the Bullen and Harlequin Declines. The Company as a consequence has revised its guidance for the 2009/10 financial year to between 75,000 to 80,000 ounces recovered (previously 80,000 to 85,000 ounces of gold) at a cash cost of A$800 to A$850 per ounce (previously A$720 to A$780 per ounce) from the Bullen, OK and Harlequin Declines.

The Company forecast for the 2010/11 financial year remains unchanged at 105,000 to 110,000 ounces recovered at cash costs of between A$670 to A$730 per ounce of gold.

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Operating Costs

As a result of the lower production profile, the net direct cash operating costs per ounce for the quarter have increased to A$933 per ounce of gold recovered, above the previous forecast range of between A$720 to A$780 per ounce. However, as indicated above, the Company expects that its full year forecast costs for the Bullen, OK and Harlequin Declines will reduce to the A$800 to A$850 per ounce mark as the production profile returns to the required levels. Total operating costs have been maintained at close to budgeted levels.

From an accounting profit and loss point of view, the Norseman Project generated estimated Earnings Before Interest and Tax ('EBIT') of A$1.2 million for the quarter.

Cash Balances

Cash balances at the end of the period totalled A$24.9 million (A$23.5 million excluding bullion). Approximately A$5.5 million of this cash balance is committed to cash-backed environmental bonds.

The Company paid its first income tax payment of A$2.9 million during the quarter.

Capital Expenditure

The major part of the capital expenditure for the month was on the equipment and infrastructure for the OK Decline. The new mine took delivery of most of the items needed to start and at the end of the quarter had only installation work to complete.

The Company completed the camp expansion during the quarter. Forty new self contained rooms have been placed on-site in the main accommodation camp and were being occupied by the end of the quarter.

A total of A$11.5 million in capital was invested during the quarter. Significant capital expenditures were made on mobile equipment (A$6.8 million), exploration (A$2.0 million) and capitalised mine development (A$2.7 million).

Mine Production

The capital development at the Harlequin Decline progressed towards the next levels at the Redfin/Perch and HV1 Reefs. At the commencement of the March 2010 quarter the two boom jumbo had reached the -312 Level on the Redfin/Perch and was to complete one more level before going to the Bullen Decline. Ore development rates were excellent, with the Harlequin ore development focussing on the Redfin/Perch Reef and the HV1 Reef. Stoping focused on increasing the mechanised tonnes stoped and on moving airleg miners into higher grade areas in the Perch Reef.

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The Bullen capital development focussed on the Bullen, Norseman and St Patrick's Reefs. At the end of the quarter the two boom jumbo went to OK Decline to commence refurbishment of the decline as planned. The jumbo is expected to relocate from Harlequin Decline early in the quarter to continue development on the Norseman and Bullen Reef.

The Company's objective at both Bullen and Harlequin is to maintain the production at a consistent level while continuing to seek more efficiencies. To this end, the manning at Bullen was adjusted downward during the quarter to reflect its production profile, with a number of personnel moved to fill vacancies at the Harlequin and OK Declines.

Mine Exploration

Diamond drilling at Harlequin has been focussed on the Perch Reef from the diamond drill cuddy on the Redfin -285m Level. Drilling has continued to produce excellent results and the orebody has still not been closed off by the drilling. The next stage of the drilling of this orebody will be to move higher up the mine to a diamond drill cuddy at the -154m Level and to continue to test the extent of the reef. Drilling from the new cuddy is expected to commence in the March 2010 quarter.

The preliminary resource estimate for the Perch Reef was also completed in December returning an Inferred Resource of 48,000 tonnes at 41.0 g/t gold for 63,000 ounces using a high grade cut of 300 g/t and a low grade cut of 5.0 g/t. It is expected that the confidence level of the resource will improve once further drilling and development is undertaken.

Perch Reef significant drilling results have been received as follows;

- 1.7m @ 4.0 g/t gold from 30.0m and
- 1.0m @ 21.2 g/t gold including
    - 0.2m @ 42.3 g/t gold in drill-hole HD1776
- 0.7m @ 63.9 g/t gold from 85.7m including
    - 0.2m @ 298.9 g/t gold and
- 2.2m @ 20.0 g/t gold from 91.8m including
    - 0.6m @ 54.7 g/t gold and
- 2.7m @ 2.7 g/t gold from 95.8m and
- 1.0m @ 13.5 g/t gold from 100.4m and
- 2.9m @ 3.6 g/t gold from 103.8m and
- 2.0m @ 6.6 g/t gold from 115.2 m in drill-hole HD1778
- 0.3m @ 192.6 g/t gold from 184.0m and
- 1.8m @ 53.8 g/t gold from 188.3m including
    - 0.4m @ 92.9 g/t gold from 189.3m and
    - 0.2m @ 113.5 g/t gold from 190.6m in drill-hole HD1779
- 0.5m @ 44.5 g/t gold from 162.6m in drill-hole HD1784
- 1.3m @ 18.2 g/t gold from 134.8m including
    - 0.2m @ 102.0 g/t gold in drill-hole HD1787

- 1.1m @ 36.4 g/t gold from 50.8m in drill-hole HD1793
- 2.2m @ 59.3 g/t gold from 55.8m including
    - 0.3m @ 342.0 g/t gold and
    - 0.5m @ 70.9 g/t gold and
- 1.2m @ 28.6 g/t gold from 64.7m including
    - 0.3m @ 85.0 g/t gold in drill-hole HD1794

Diamond drilling at Bullen has continued with the new diamond drill rig from the first week of October. The rig has made good progress and significant results are outlined below.
Mararoa Reef Drilling

- 2.5m @ 2.6 g/t gold from 106.7m in drill-hole BN467

St Patrick's South Drilling

- 1.4m @ 3.9 g/t gold from 323.3m in drill-hole BN659

Norseman (Mt Barker) Drilling

- 1.25m @ 8.5 g/t gold from 11.8m in drill-hole BN700

Regional Exploration and Third Mine Development

The Company has continued with its programme of third mine development. The start-up of OK Decline progressed during the quarter as did the dewatering at North Royal Open Pit. The Company currently has three underground diamond rigs drilling at the Bullen, OK and Harlequin Declines and has approved the purchase of a fourth drill rig to commence drilling medium term exploration targets from underground.

OK Decline

Mobilisation of surface infrastructure, mobile equipment and personnel proceeded during the quarter. At the end of the quarter surface earthworks had been completed and construction of surface facilities had commenced with the laying of concrete for pads for the workshops, offices and refuelling facilities. Construction of buildings is expected to be complete by the end of the March 2010 quarter.

Personnel and mobile equipment had also commenced arriving on site. Refurbishment of the existing decline had commenced with the new two boom jumbo and ore development had commenced on the Star of Erin orebody with first ore processed by the Phoenix treatment plant by the end of January 2010. This first gold poured from OK Decline is a significant milestone for the Company.

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The drilling underground into the Star of Erin orebody continued during the quarter. Results continued to be positive and it is expected that there will be a new resource, initial preliminary reserve and consequently first pass mining schedule for the mining of this orebody during the March 2010 quarter. The significant results from the Star of Erin drilling received during the quarter are as follows;

- 0.6m @ 25.4 g/t gold from 174.9m and
- 0.4m @ 41.0 g/t gold from 182.0m and
- 2.0m @ 2.7 g/ gold from 185.0m in drill-hole OKD196
- 3.6m @ 12.0 g/t gold from 137.6m including
    - 0.8m @ 26.0 g/t gold from 137.6m and
    - 0.9m @ 22.3 g/ gold from 138.4m in drill-hole OKD201
- 1.2m @ 10.4 g/t gold from 148.2m including
    - 0.4m @ 18.8 g/t gold from 148.2m in drill-hole OKD245
- 3.0m @ 14.7 g/t gold from 68.4m including
    - 1.0m @ 33.5 g/t gold from 68.4m and
    - 1.0m @ 7.8 g/t gold from 69.4m in drill-hole OKD246
- 1.0m @ 151.0 g/t gold from 159.0m including
    - 0.7m @ 215.0 g/t gold from 159.3m and
- 0.7m @ 10.7 g/t gold from 182.3m in drill-hole OKD248
- 1.0m @ 28.9 g/t gold from 107.2m in drill-hole OKD249
- 3.0m @ 2.8 g/t gold from 73.0m including
    - 1.0m @ 5.2 g/t gold from 75.0m in drill-hole OKD252
- 2.0m @ 8.4 g/t gold from 83.0m including
    - 1.0m @ 15.0 g/t gold from 83.0m and
- 4.0m @ 2.2 g/t gold from 86.0m in drill-hole OKD258
- 0.3m @ 28.0 g/t gold from 32.3m in drill-hole OKD285

The original schedule for the OK Decline was to provide mainly lower grade ore from development in the first six months of production with full stoping and development operations not being achieved until the 2010/11 financial year. The results from the Star of Erin orebody have given encouragement to the mine being able to stope from this area sooner than when expected from the OK Main and O2 Reef. The result of this potential is twofold, in that higher grade stope ore may be treated sooner than expected, and it will be at a lower cost base than the scheduled development ore.

North Royal Open Pit

The dewatering of the North Royal Open Pit gathered momentum during the quarter with the commissioning of both pumps and the pipe-work to dewater the pit. Pumping rates of over 400 litres per second have been achieved during the quarter. The dewatering at the end of the quarter had removed over 21% of the volume of water from the open pit.

To continue to advance the project surface drilling was undertaken on the southern end of the pit to test the resources that are located under the pit floor in that area. At quarter end the drill programme had been completed and logging and assaying of the drill-holes was being undertaken. Significant results that have been received so far for the North Royal South drilling are listed below:

- 1.0m @ 5.2 g/t gold from 154.0m and
- 0.8m @ 7.4 g/t gold from 156.8m in drill-hole NRD014
- 1.0m @ 9.3 g/t gold from 63.0m in drill-hole NRD030
- 2.0m @ 2.9 g/t gold from 12.0m in drill-hole NRD036

Once the remainder of the results are received, the data will be analysed and a new resource generated. On the current rate of progress, with the dewatering and the drilling required to improve the confidence level of the resources to be mined, it is anticipated that mining will now potentially commence at North Royal in the December 2010 quarter.

Corporate Review

The Company has remained focused on the strategy to fill the Phoenix treatment plant via the commencement at the OK Decline and the dewatering and drilling at the North Royal Open Pit. As a consequence other projects such as Norseman Iron Ore and the Tailings Retreatment project have not advanced during the quarter. Once the OK Decline is operating as a producing mine the resources will become available to advance these projects at a quicker rate.

The plan for current March 2010 quarter is to complete the mobilisation and construction at OK Decline, continue the dewatering at North Royal Open Pit and surface drilling for ongoing resource delineation, including a portion of the Crown Reef closer to the surface.

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Competent Persons – Consent for Release

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on data generated by employees of Central Norseman Gold Corporation Limited who have the relevant experience and qualifications to qualify as competent persons.

The parts of this report that relate to Exploration Results, Mineral Resources and Ore Reserves were compiled by Barry Cahill using that data. He is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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". He has consented to the inclusion in the report of the matters 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.

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Note to editors:

Norseman Gold plc is an AIM listed and ASX listed Australian gold production company, which acquired the Norseman Gold Project in May 2007, Australia's longest continually running gold operation. The Norseman Gold Project is located in the Eastern Goldfields of Western Australia in the highly prospective Norseman-Wiluna greenstone belt, 725km east of Perth and 186km from Kalgoorlie.

Gold was first found on the Norseman field in 1894 and over the last 65 years it has produced over 5.5 million oz of gold. The mine is currently producing from two high-grade narrow-vein underground mines - the Bullen and the Harlequin. Currently, it has a total resource inventory of 3.7 million oz of gold at an average grade of 5.5 g/t.

The tenements cover a 1,614 sq km area centred on the Norseman Township. The landholding comprises 179 contiguous tenements consisting of 13 Exploration Licences, 106 Mining Licences, 45 Prospecting Licences, 15 Miscellaneous Licences and 29 Mining Lease Applications.

The Company's strategy is focused on extending the mine life through the conversion of resources into reserves and identifying additional resources and obtaining additional ore for the operating mill through the development of a third and subsequent mines. The Company has fifteen advanced resource projects under review of which three have pre-development work being undertaken on them. It is anticipated that at least one if not all the pre-development projects will develop into mining propositions.