The Directors of Norseman Gold plc (“Norseman” or “Company”) wish to provide a further update to shareholders following the appointment of an Administrator to Norseman’s principal operating subsidiary Central Norseman Gold Corporation Limited (Administrator Appointed) (“CNGC”).

Administration of CNGC

The voluntary administrator of CNGC, Ron Dean-Willcocks of Dean-Willcocks Shepard (“Administrator”), has released to creditors his report to creditors in accordance with section 439A of the Corporations Act (Australia).

The meeting of creditors is to be held on 21 February 2013 and the purpose of this meeting is for creditors to make a decision by passing a resolution in respect of the options available to them.

The following options are available to creditors to decide pursuant to section 439C of the Act, being that:

- CNGC execute the proposed Deed of Company Arrangement (“DOCA”)/Creditors’ trust;
- the administration should end; or
- CNGC be wound up.

The Administrator’s opinion on each option and the reasons for his opinion are set out in the report to creditors and the Administrator has recommended to creditors that CNGC enter into a DOCA and a creditors’ trust which has been proposed by Norseman and Tulla Resources Group Pty Ltd (“Tulla”).

A summary of the proposed DOCA / Creditors’ Trust is set out below but creditors are urged to read the notice to creditors dated 6 February 2013 and not rely upon the summarised information set out here.

Under the terms of the proposed DOCA, creditors of CNGC are divided into

- Secured Creditors, comprising Farrer Place Holdings Pty Limited, Tulla, both companies controlled by interests associated with Kevin Maloney, and David Steinepreis as security trustee of the convertible loan note holders October 2011;
Deferred Creditors, comprising Norseman, Norseman Gold Pty Limited, JLM Transport & Logistics Pty Limited, Tulla Capital Partners Pty Limited (as assignee of Claims of L2P Management) and L2 Drilling Pty Limited, all of which are associates of either CNGC, Norseman Gold Plc or the directors of those companies; and

Participating Creditors

Subject to approval of the Secured Creditors, the Secured Creditors will not be bound by the DOCA, will not make any claim for distribution under the DOCA and will forbear from seeking repayment of any debts owed to them until the later of 12 months from the date of the DOCA or termination of the DOCA trust deed unless CNGC can meet those debts without becoming insolvent as a result.

Following the execution of the DOCA, the Secured Creditors need to reach agreement as to the circumstances of existing securities and any fresh security that may be granted by directors following execution of the DOCA. It is possible that if agreement is not reached between the Secured Creditors that the Secured Creditors Deed will not be executed and the DOCA will fail.

The Deferred Creditors’ claims will be deferred in full until the DOCA is complete.

The employees will be paid in full out of the deed fund or in the ordinary course of business. Participating Creditors shall have their claims against CNGC satisfied in full and extinguished by the payment of approximately 5¢ in the $. The actual dividend will approximate 4.6¢ in the $ after the ATO bad debt increasing adjustment.

In order to satisfy the payment to Participating Creditors, the administrator’s fees, unpaid trading deficiencies during the administration period and employee claims, a deed fund of A$8,001,253 in cash will be established, satisfied by a payment of A$3,500,000 from Norseman using existing cash resources and A$4,501,253 from Tulla and Farrer Place Holdings Pty Ltd.

If the DOCA is completed satisfactorily then CNGC will be returned to the directors of CNGC and Norseman with no change in ownership or control and resumption of trading in the Company’s ordinary shares on ASX and AIM will be sought without delay following completion of any outstanding regulatory requirements.

If the DOCA is not executed within 15 business days of approval then CNGC will be wound up. Following the execution of the DOCA, settlement of DOCA is proposed to be within 20 business days of approval or such other time as agreed by the Deed Administrator. If not satisfied, the Deed Administrator to call a meeting of creditors to consider a resolution to wind up CNGC.

Should CNGC proceed to liquidation there are likely insufficient assets to result in any dividend to any unsecured creditor on an immediate winding up.

A further announcement will be made following the meeting of creditors on 21 February 2013.
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