Nordgold: A High Growth International Gold Producer

Howard Golden, Exploration Director
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Diversified Asset Base Across Four Continents

- Actual production in 2016
- Operating Mines
  - Buryatzoloto: 98 koz
  - Suzdal: 81 koz
  - Taparko: 111 koz
  - Lefa: 195 koz
  - Bissa-Bouly: 214 koz
- Developing Assets
  - Berezitovy: 80 koz
  - Aprelkovo: 10 koz
  - Neryungri: 81 koz
  - Gross: 230E+ koz
- Exploration Assets
  - Montagne d'Or
  - Pistol Bay
- Exploration Areas

2016 Revenue by Geography:
- Russia: 37%
- Kazakhstan: 31%
- Guinea: 10%
- Burkina Faso: 23%

Actual production in 2016
Robust 2016 Results and Strong 2017 Outlook

2016 Highlights:

◆ **Gold production** of 868.8 koz, in line with FY guidance range of 840-880 koz.
◆ **EBITDA** is anticipated to be of app. US$490 million and **operating cash flow** in the range of US$390-395 million.
◆ **AISC** is expected to be in line with 2016 guidance of US$900/oz – US$950/oz.
◆ **Positive free cash** flow achieved at all operating mines. **Free cash flow** is expected to be over US$60 million in 2016 despite investments of c. US$120 million in the construction of the new low-cost Bouly and Gross mines during the year.
◆ **Capex** is anticipated to be approximately US$350 million in 2016.
◆ Unaudited **net debt** decreased to c. US$506.9 million as at 31 December 2016 compared with US$559.7 million as at 30 September 2016 and US$584.0 million as at 31 December 2015.

2017 Outlook:

◆ **Gold production** is expected to be in the range of 900-950 koz.
◆ The growth will largely be driven by the contribution of new Bouly mine which is expected to produce up to 110 koz in 2017 and additional growth from Bissa, Lefa and Berezitovy, which will all benefit from a programme of investment and mine development realised in 2016.
◆ **AISC** guidance of **US$900/oz - US$950/oz**.
◆ **Capex** is anticipated to be approximately **US$390 million**.
Operating Cash Flow (OCF) is expected in the range of US$390-395 million in 2016.

2016 AISC is expected to be in the range of US$900/oz – US$950/oz.

Positive free cash flow (FCF) achieved at all operating mines. FCF is expected to be over US$60 million in 2016 due to strong OCF.

FY 2016 capex estimated at US$350 million, including investments in construction of two mines, exploration, development and maintenance, as well as capitalised stripping. 2017 exploration spend is estimated at $35M.
In the past six years Nordgold successfully planned, developed and built two separate large scale and highly efficient mines – the **Bissa and Bouly mines** in Burkina Faso – investing approximately **US$390 million**

Construction of a next growth project - **the Gross mine** in Russia – started in June 2016 with **first gold expected in H1 2018**

**Montagne d’Or** in French Guiana the NI 43-101 compliant **Feasibility Study** is expected to be delivered in **March 2017**.

Advanced drilling programme at **Pistol Bay (Canada)** with maiden resource of 742 koz defined in 2016 and continued brownfields success

**Greenfields projects** – resource drilling phase in Russia and Burkina Faso.
Robust Pipeline to Underpin Future Growth

### Nordgold Pipeline is Robust and Balanced with Early Stage and Advanced Projects
Montagne d’Or - 3.8 Moz Au @ 2.14 g/t in NW French Guiana, 180 km W of the capital, Cayenne.

✓ Earn-in of a 55.01% interest will be completed in March 2017.
✓ Transaction worth c. US$40m.

Northquest – high grade exploration project Pistol Bay in Nunavut Territory, northern Canada.

✓ Acquisition completed in October 2016.
✓ Transaction worth US$21m.

Ronguen - late stage exploration project just 10 km NW of Nordgold’s Bissa mine in Burkina Faso.

✓ Acquisition completed in October 2014.
✓ Transaction worth US$4.25m.

High River Gold Mines (included the Taparko mine and Bissa exploration project in Burkina Faso, Berezitovy mine and Buryatzoloto’s two underground mines in Russia, as well as 50% stake in silver project Prognoz in Russia).

✓ Acquisition completed in March 2013.
✓ Transaction worth US$390 m + c. 21 m of Nordgold GDRs.
# Going Underground at the Berezitovy Mine

<table>
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<tr>
<th><strong>Berezitovy Underground Project Overview</strong></th>
<th><strong>Berezitovy Underground Perspective</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>Russia, Amur region</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td>50 km from Trans-Siberian railway, access with all-season road, OP infrastructure</td>
</tr>
<tr>
<td><strong>Mine type</strong></td>
<td>Open pit, CIL</td>
</tr>
<tr>
<td><strong>Stage</strong></td>
<td>Open pit, UG development</td>
</tr>
<tr>
<td><strong>Start-up year</strong></td>
<td>H1 2017</td>
</tr>
<tr>
<td><strong>Estimated CAPEX</strong></td>
<td>US$14.7 million</td>
</tr>
<tr>
<td><strong>Annual production</strong></td>
<td>55 koz, 3 years LoM</td>
</tr>
<tr>
<td><strong>LoM average TCC &amp; AISC</strong></td>
<td>US$589/oz &amp; US$725/oz</td>
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</table>

- First underground Mineral Resources of 168koz reported in 2015.
- NG Feasibility study converted 107koz into Ore Reserves.
- Twin decline development to commence H1 2017 to access high-grade ore extensions below current open pit.
- First ore accessed in H2 2018, and full production in 2019 at an annual rate of 350kt at 5.4g/t.
- Complete mechanized mine operated by 90 technical and operations employees.
- Mining method consist of long-hole open stoping with cemented rockfill.
- Annual processing continue at a rate of 1.82Mtpa until 2021; mill feed consisting of underground ore, open pit ore and historical stockpiles.
- 10,000m of annual exploration drilling will target Mineral Resources conversion and test depth extensions.
- Regional early stage exploration focused on Khaikta permit north of Berezitovy.
Nordgold implemented Overall Equipment Effectiveness (OEE) project in mining to improve productivity of primary equipment.

Key initiatives include:
- Reorganisation of shift and lunch break schedules to limit lost time.
- Optimising trucks payloads (training of trucks operators with payload procedure).
- Blast fragmentation improvement.
- Introduction of mining fleet dispatching systems.

Resultantly, **loading productivity was improved by 65% with fewer excavators in operation.**
# Producing at the New Bouly Mine

## Bouly – Brief Overview and Summary

<table>
<thead>
<tr>
<th>Location</th>
<th>Burkina-Faso, 5 km east from Bissa mine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>Bissa infrastructure is available to support Bouly</td>
</tr>
</tbody>
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### Project parameters

<table>
<thead>
<tr>
<th>Mine type</th>
<th>Open pit, Heap leach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start-up date</td>
<td>September 2016</td>
</tr>
<tr>
<td>CAPEX</td>
<td>US$140 million</td>
</tr>
<tr>
<td>Annual production</td>
<td>118 koz, LoM 10 years</td>
</tr>
<tr>
<td>LoM average TCC &amp; AISC</td>
<td>US$665/oz &amp; US$730/oz</td>
</tr>
</tbody>
</table>

- Located within 5 km from Nordgold’s operating Bissa mine with key infrastructure already in place.
- Large ore body: 1.3 Moz at 0.56 g/t in Probable Reserves and 3.5 Moz at 0.57g/t in M,I&I Resources.
- Construction was completed on schedule in 13 months and under budget.
- Bouly mine reached full capacity just in two months after launch producing 31.4 koz of gold doré in 2016, ahead of 2016 production guidance of 20 koz.
- Bouly’s average annual production will be approximately 120 koz over a life of mine of 10 years.
- Feasibility Study with strong project economics: 40% IRR at a gold price of US$1,250/oz.
- Possibility of Life of Mine extension through processing of fresh rock ore resources and exploration at flanks.
## Gross – Brief Overview and Summary

<table>
<thead>
<tr>
<th>Location</th>
<th>Russia, Yakutia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>5 km from Neryungri operating mine, accessible by all-season road</td>
</tr>
</tbody>
</table>

### Mine type
- Open pit, Heap leach

### Stage
- Fully permitted, construction started in June 2016

### Possible start-up year
- H1 2018

### Average production
- 230 koz

### Capital to start production
- US$250 million

### LoM average TCC & AISC
- US$679/oz & US$760/oz

- World class ore body: 4.4 Moz at 0.73 g/t in P&P Reserves and 8.5 Moz at 0.67 g/t in M,I&I Resources.
- Straightforward low cost heap leach metallurgy with excellent recovery rate at above 82.5%.
- Feasibility study indicates IRR of almost 40% at a gold price of US$1,250/oz.
- At full production, Gross is expected to mine and process c. 12 Mt of ore, producing approximately 230 koz of gold per year, at full production, for 17 years.
- The successful pilot production confirmed project recovery, low cost profile and robust economics and also reduces execution risk.
- The first of the camp buildings have been erected and started housing employees at the end of November 2016.
Montagne d’Or Project Overview

<table>
<thead>
<tr>
<th>Location</th>
<th>French Guiana, 80 km from port of St Laurent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>Airstrip, all-season road, camp</td>
</tr>
<tr>
<td>Ownership</td>
<td>Nordgold has the right to earn 55.01%</td>
</tr>
<tr>
<td>Mine Type</td>
<td>Open pit</td>
</tr>
<tr>
<td>Possible start-up year</td>
<td>2020</td>
</tr>
<tr>
<td>Average production</td>
<td>250+ koz</td>
</tr>
<tr>
<td>Development Stage</td>
<td>Feasibility Study is underway, to be completed in March 2017</td>
</tr>
</tbody>
</table>

Project Summary

- World-class high-grade ore body: 3.8 Moz at 2.14 g/t of in-pit Indicated and Inferred Resources.
- Favorable stripping ratio.
- Straightforward metallurgy: gravity + cyanidation. Excellent recovery - averaged at above 95% in lab tests.
- Located in politically stable and low-risk jurisdiction.
- Significant reserve upside potential at strike and in depth.
- Pre-feasibility Study finalised in June, 2015 and demonstrated positive economic data with CIL technology.
- Preliminary ESIA were completed in Q1 2015, completion of full ESIA is expected by H1 2017.
- Lycopodium won tender to complete Feasibility Study, will be delivered in Q1 2017.
- Nordgold became project operator from January 2016.
Expanding the Pistol Bay Project

Pistol Bay Project Overview

<table>
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<tr>
<th>Location</th>
<th>Arctic Canada, Nunavut Territory, on the coast of Hudson Bay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>Accessible by air or by sea with about 5-month navigation period. Village, port, airstrip and all season road on site.</td>
</tr>
<tr>
<td>Mine type</td>
<td>Open pit, high grade</td>
</tr>
<tr>
<td>Development Stage</td>
<td>Advanced exploration, 2016 drilling programme completed</td>
</tr>
<tr>
<td>Resources</td>
<td>739 koz at 2.95g/t Inferred resources (NI 43-101 compliant)</td>
</tr>
</tbody>
</table>

Project Highlights

- Pistol Bay project is wholly owned by Northquest Ltd.
- Nordgold completed acquisition of Northquest in October 2016.
- Best intersections include 8.23 g/t /156m and 5.61 g/t /163m.
- Preliminary metallurgical tests showed recovery from 93.1% to 99.6% and indicated gold is recoverable through standard gravity and CIL methods.
- High grade open-pit mining conditions with favourable logistics and best mining jurisdiction.
Despite De-listing Nordgold will Continue Delivering on its Proven Strategy

Strong Operational and Financial Performance ...

2012  |  2016
--- | ---
Production (koz) | 717 | 869
Cash Cost (US$/oz) | 836 | 644<sup>(1)</sup>
Number of Mines | 8 | 9
Reserves (moz) | 12.7<sup>(2)</sup> | 14.0<sup>(3)</sup>

... Didn’t Lead to GDR Price Appreciation

Nordgold’s GDR Price Since Listing (US$)

- Commitment to best-in-class corporate governance on an ongoing basis
- Retention of full “public” management team and Board
- Focus on near-term (Gross start-up) and long-term (significant exploration activities) transformation of operating platform
- Continued analysis of strategic opportunities to enhance portfolio
- Commitment to continuing to deliver shareholder value via Free Cash Flow generation and attractive dividend level
- Intention to re-IPO - enhanced operating portfolio and broader shareholder base

Source: FactSet as of 8 February 2017.
Note:  
(1) As of 9M2016.  
(2) As of 1 January 2012.  
(3) As of 31 December 2015.
New Project Criteria

- Located in mining-friendly geographies
- With gold as the primary metal
- Non-refractory ores
- Not less than 2Moz of Reserve potential with grade at above 2g/t, low to medium strip ratio
- Potential annual production above 150 koz
For further information please visit www.nordgold.com