Financial and Operating Results
Q1 2014

Nord Gold N.V. reports financial and operating results for the first quarter ended March 31, 2014

Amsterdam, Netherlands, May 15, 2014

Nord Gold N.V. ("Nordgold" or the "Company", LSE: NORD), the internationally diversified, pure-play gold producer strategically focused on emerging markets, announces its financial and operating results for the first quarter ended March 31, 2014.

Highlights	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
Gold production, koz (1)	211.1	183.6	15%	263.4	(20%)
Average realised gold price per ounce sold, US$/oz	1,299	1,615	(20%)	1,250	4%
Revenue, US$m	274.9	296.8	(7%)	328.8	(16%)
EBITDA, US$m (2)(3)	103.5	97.9	6%	100.7	3%
Total Cash Costs, US$/oz (2)(3)	719	956	(25%)	755	(5%)
All-in Sustaining Costs, US$/oz (2)(3)	881	1,204	(27%)	1,013	(13%)
LTIFR	0.40	1.15	(65%)	1.33	(70%)

(1) Total refined gold excluding Suzdal doré production.
(2) The figures for Q1 2013 and Q4 2013 were recalculated due to changes in accounting policy. For more information, please see Note 2 in the Financial Statements.
(3) Normalised EBITDA, total cash costs and all-in sustaining costs as defined in the section for "Non-IFRS Financial Measures".

Financial Highlights

- Revenue in Q1 2014 was US$274.9 million, a 7% decrease compared with US$296.8 million in Q1 2013 due to the significantly lower average realised gold price. Revenue for Q1 2014 decreased by 16% compared with US$328.8 million in Q4 2013 as a result of lower refined gold production and sales volumes.
- Despite a 20% decrease in the average realised gold price in Q1 2014 compared with Q1 2013, EBITDA for the reporting quarter increased by 6% year-on-year ("YoY") to US$103.5 million driven by higher production and strict cost control, which offset lower prices. EBITDA also increased by 3% compared with US$100.7 million in Q4 2013 mainly due to higher average realised gold price (up 4% quarter-on-quarter) as well as lower costs. EBITDA margin for Q1 2014 was 37.6% compared with 33.0% in Q1 2013 and 30.6% in Q4 2013.
- Net income for Q1 2014 was US$24.6 million, up 68% compared with US$14.6 million in Q1 2013.
- In Q1 2014, total cash costs ("TCC") were US$719 per ounce, a 25% decrease compared with Q1 2013 (US$956/oz) and a 5% decrease compared with Q4 2013 (US$755/oz) mainly due to improved operational and consumption efficiency. The main drivers of the quarter-on-quarter ("QoQ") TCC improvement were Buryatzoloto (down 15%), Neryungri (down 13%), Taparko (down 8%) and Lefa (down 2%). We continue to implement cost optimisation programmes at all our mines.

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- In Q1 2014, all nine of Nordgold's mines achieved significant improvement in all-in sustaining costs (AISC) [(4)]compared with Q1 2013. As a result, Nordgold's consolidated AISC were US$881/oz in Q1 2014, which is 27% lower compared to Q1 2013 (US$1,204/oz) due to higher production, lower TCC and capex. We reiterate our consolidated AISC guidance of US$1,050/oz - US$1,100/oz for the full year 2014.
- In Q1 2014 Nordgold generated US$49.8 million of cash flow from operating activities (after interest and income tax paid), compared with US$40.0 million in Q1 2013. Nordgold's cash flows for the reporting period would potentially have been higher if the 20.1 thousand ounces of doré produced at Suzdal in Q1 2014 had been converted to refined metal. In Q1 2014, Suzdal's refined gold production and sales were affected by negotiations with the National Bank of Kazakhstan and a newly built refinery plant "Tau-Ken Altyn". The issue was resolved in April 2014 and Suzdal's doré produced in Q1 2014 has been refined and sold during Q2 2014.
- Capital expenditure ("capex")[(4)] for Q1 2014 was US$22.4 million (including US$5.4 million for exploration and evaluation), down 65% from Q1 2013 and 60% from Q4 2013. Nordgold reiterates 2014 capex guidance of approximately US$200 million, including exploration costs of US$60 million.
- The Company delivered US$22.9 million of positive free cash flow [(4)] in Q1 2014 compared with negative free cash flow of US$28.3 million in Q1 2013 on the back of higher operating cash flow and significantly lower capex.
- Cash and cash equivalents as at March 31, 2014 were US$270.5 million with net debt at US$729.8 million, compared with US$244.0 million cash and cash equivalents as at December 31, 2013, and net debt of US$723.9 million.
- The Board of Directors has approved an interim dividend of 1.53 US cents per share or per Global Depositary Receipt in respect of the three months ended March 31, 2014.

Message from the CEO

"I am pleased to announce a robust financial performance for the first quarter. A very strong operating performance with increased production across all our mine sites, combined with a focus on cost management has more than offset a sharp decline in the price of gold and we have delivered a 6% rise in EBITDA in the quarter, in a sector which is seeing considerable challenges. I am particularly pleased to see the sharp 27% decrease in all in sustaining costs. The results show the significant progress we have made in managing our cost base carefully, improving efficiency across our mine sites – a great testament to the quality of our staff. We are not complacent. We anticipate AISC will increase during the year due to higher capex and we remain committed to ensuring all our operations are run as efficiently and above all, safely as possible. Looking ahead, we will remain highly vigilant on costs and seeking to find further operational efficiencies across our portfolio, while carefully seeking to develop our growth projects."

Nikolai Zelenski, Chief Executive Officer, Nordgold

Operating Highlights

- Gold production in Q1 2014 was 211.1 thousand refined gold ounces ("koz"), a 15% increase on Q1 2013 (183.6 koz).
- All Nordgold's mines achieved a year-on-year production increase, with double digit growth at Bissa, Taparko, Lefa, Neryungri, Aprelkovo and Suzdal as well as a 7% increase at Buryatzoloto and a 3% increase at Berezitovy.
- Nordgold's Suzdal mine produced 20.1 thousand ounces of doré in Q1 2014, although very little of the doré was converted to refined metal due to the reasons described above.

(4) For detailed definition, please see "Non-IFRS Financial Measures"

- Lost time injury frequency rate (LTIFR) for Q1 2014 was 0.40, a significant improvement compared with Q1 2013 (1.15) and Q4 2013 (1.33). Seven of Nordgold's mines had an LTI free quarter.
- Nordgold is on track to meet its 2014 full year production forecast of 870 – 920 koz.

Dividends

The Board of Directors of Nordgold has approved an interim dividend of 1.53 US cents per share or per Global Depositary Receipt in respect of the three months ended March 31, 2014, bringing the total pay-out to US$5.8 million.

The ex-dividend date for Q1 2014, dividend record date and payment date will be announced additionally.

We remain focused on delivering a dividend to our shareholders. According to our dividend policy, we intend to distribute 30% of net profit attributable to shareholders as dividends on a quarterly basis.

Safety

Safety remains the absolute priority for the Board and management with the objective of Zero Harm for our employees and contractors.

We continue to invest our efforts in improving safety performance and ensuring that safety is the absolute priority for everyone at our mine sites. Seven out of Nordgold's nine mines had an LTI free quarter. Lost time injury frequency rate (LTIFR) for Q1 2014 was 0.40, a significant improvement compared with Q1 2013 (1.15) and Q4 2013 (1.33).

Despite an overall improvement in LTIFR, it is with great regret that we report a fatality at the beginning of April at our Irokinda mine. Our deepest sympathy goes to the bereaved family and work colleagues. A full investigation has taken place to ensure we learn from the incident. The incident highlights the need to ensure we continue to focus on safety at all our mine sites and to improve the attitudes of all our employees towards safety requirements.

LTIFR by Mine

Mines	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
Bissa	0.00	0.00	0%	0.00	0%
Taparko	0.00	0.00	0%	2.25	(100%)
Lefa	0.00	0.00	0%	0.00	0%
Buryatzoloto	1.32	3.14	(58%)	1.37	(4%)
Berezitovy	0.00	0.00	0%	1.87	(100%)
Neryungri	0.00	0.00	0%	2.15	(100%)
Aprelkovo	0.00	0.00	0%	0.00	0%
Suzdal	0.00	3.90	(100%)	4.16	(100%)
Nordgold	**0.40**	**1.15**	**(65%)**	**1.33**	**(70%)**

Development Highlights

Gross

- In February 2014, Nordgold finalised the feasibility study for Gross (Yakutia, Russia), which confirmed the economic attractiveness of an all-season open-pit heap leach project at a long term gold price of US$1,250 per oz. In 2014 the Company will focus on obtaining the construction permit for Gross as well as completing outstanding infrastructure design works.
- In 2014, within the pilot stage operation, 1.8 million tonnes of ore will be mined at Gross and processed at the heap leach facility of the satellite Neryungri mine, which will require minimum capex.

- As part of a pilot stage operation, stripping and mining works commenced at Gross at the end of February 2014. In Q1 2014 total run of mine amounted to 515.2 thousand tonnes with 348.4 thousand tonnes of waste mined and 166.8 thousand tonnes of ore mined.
- According to the feasibility study, Gross is expected to mine approximately 12 million tonnes of ore and to produce over 200 koz of gold per year at full production.

Montagne d'Or

- In March 2014, Nordgold executed a definitive option agreement with Columbus Gold Corp. (CGT: TSX-V) contained in the binding letter of intent dated September 17, 2013 under which Columbus Gold granted Nordgold the exclusive right to earn a 50.01% interest in certain licences at Columbus Gold's 100%-owned Paul Isnard project by completing a bankable feasibility study and by spending not less than US$30 million over three years in staged work expenditures. Paul Isnard contains inferred gold resources of 4.15 million ounces at 2.22 g/t Au in the Montagne d'Or deposit in French Guiana.
- A 14-month drill programme commenced at Montagne d'Or in November 2013 has continued in Q1 2014. 47 drill holes for a total of 5,900 metres have been completed between the start of the drill programme and April 6, 2014.
- The entire Phase II drilling programme includes 27,600 meters of diamond core drilling and is designed to complete a 50-meter spacing array to a vertical depth of 200 meters along the full strike extent of the current resources, with select 25-metre in-fill. The denser 25-metre to 50 meter drill pattern is expected to internally increase the resources between widely spaced holes, convert much of the inferred resource to the indicated and measured categories, and provide confidence in the grade-width distribution.
- In early May 2014, SRK Consulting (U.S.), Inc. ("SRK") was awarded the contract to complete a preliminary economic assessment of Montagne d'Or gold deposit. As part of SRK's engagement and the ongoing development of the project, SRK reviewed the inferred gold resource estimate prepared by Coffey Mining Pty Ltd ("Coffey") dated effective November 23, 2012. In the process, SRK identified issues with respect to certain estimation methodologies employed by Coffey which SRK believes materially overstate grade and contained ounces. Columbus Gold will provide conclusive clarity on the matter by obtaining comments from Coffey and commissioning a new independent NI 43-101 compliant resource update on the Montagne d'Or deposit with a target completion date of May 30, 2014. The resource update will also include holes for which assays have been received to date in the current Phase II drilling programme.

Bouly

- In Q1 2014, positive metallurgical test results were obtained from representative samples at Nordgold's Bouly deposit, which is located close to the Bissa mine in Burkina Faso. Column tests yielded favourable gold recoveries from oxide and transitional ores of 80-93%. Nordgold intends to complete an in-house Preliminary Economic Assessment for the Bouly project in Q2 2014 and to commence a Preliminary Feasibility Study in Q3 2014.

Capital Expenditure

- We remain focused on keeping a tight control over capex. Capex for Q1 2014 was US$22.4 million (including US$5.4 million for exploration and evaluation), a 65% decrease compared with US$64.5 million in Q1 2013 (including US$14.1 million for exploration and evaluation) and a 60% decrease compared with US$56.0 million in Q4 2013 (including US$19.5 million for exploration and evaluation).
- As previously reported, we expect capex in 2014 to be approximately US$200 million including exploration (approximately US$60 million), maintenance (approximately US$80 million), expansion and development, including rollout of SAP system across Company sites (below US$60 million) and Gross pilot stage operation support (US$3 million).

Capex by Mine for Q1 2014, US$m [5]

Mines	Maintenance	Development and New Technology	Exploration and Evaluation	Mine Construction	Total
Bissa	4.1	-	0.2	-	4.3
Taparko	2.6	-	1.0	-	3.6
Lefa	3.5	1.7	1.1	-	6.3
Buryatzoloto	2.6	-	1.5	-	4.1
Berezitovy	1.5	-	0.1	-	1.5
Aprelkovo	0.0	-	-	-	0.0
Neryungri	0.0	-	0.0	-	0.0
Gross	-	-	0.2	0.1	0.3
Suzdal	1.0	0.1	0.1	-	1.1
Others		-	1.3	-	1.2
Nordgold	**15.2**	**1.7**	**5.4**	**0.1**	**22.4**

(5) May include the effect of rounding

Cash Flow Optimisation and Cost Management

Nordgold's target is for all its operating mines to be free cash flow positive in 2014, through a forensic approach to cost management, diligent capex and working capital optimisation.

A combination of reduction in general and administrative expenses, improvements in operational efficiency, as well as the on-going implementation of Business System of Nordgold with the aim of realising a positive effect on 2014 EBITDA of approximately US$55 million, is key to ensuring the Company remains focused on driving down costs.

In Q1 2014 Nordgold increased its working capital by US$22.2 million on the back of the delayed production of refined gold at Suzdal, which increased the work-in-progress portion of inventories by US$21.4 million, with an additional effect from the decrease of trade accounts payable due to seasonally as well as temporary lower purchases volumes in order to reduce inventories balance, mainly at Lefa and Taparko. We expect that sale of the refined gold from Suzdal during Q2 2014 and our continuous efforts to improve Nordgold's liquidity position will help us to release working capital in Q2 2014.

Business System of Nordgold

As previously disclosed, the objective of Business System of Nordgold (BSN) is to establish best-in-class sustainable processes at the Company's operating assets, ensuring they are as efficient, low cost, sustainable and, above all, as safe as possible. BSN roll out began in mid-2012 and has now been rolled out across all mine sites, with the ultimate aim of reducing total cash costs.

The positive impact from BSN, reduced consumption of key materials, lower repair costs and administrative expenses totaled more than US$80 million in 2013, compared with US$17 million in 2012.

We expect a further materially positive impact from BSN in 2014 as we continue to roll out operational improvements and cost saving initiatives. BSN's targeted effect on 2014 EBITDA is approximately US$55 million.

With BSN now having been rolled out across all mine sites, the focus will shift towards support and training in 2014. Lefa remains the key asset where BSN will continue to focus on operational improvements including stabilisation of mining volumes and improvement of fleet availability, together with other operational efficiencies designed to improve both safety and productivity.

We are also implementing our "Top-20 materials" project – a method of procurement to ensure we are using the best suppliers, with the best products at the most cost-effective prices. We have, for example, recently achieved substantial savings on fuel and lubricants at Lefa, and we will roll-out Top-20 materials across the mines.

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Financial Results Summary [6]

Financial Results, US$m	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
Revenue	274.9	296.8	(7%)	328.8	(16%)
EBITDA [7][8][9]	103.5	97.9	6%	100.7	3%
EBITDA Margin, % [8][9]	37.6	33.0	4.7 pp	30.6	7 pp
Net Income/(loss) [9]	24.6	14.6	68%	(29.2)	n.a.
Cash flows from operating activity	49.8	40.0	25%	105.4	(53%)
Capital expenditures [8]	22.4	64.5	(65%)	56.0	(60%)
incl. Exploration	5.4	14.1	(61%)	19.5	(72%)
Free cash flow [8]	22.9	(28.3)	n.a.	48.8	(53%)
Cash and cash equivalents	270.5	65.9	310%	244.0	11%
Total debt	1,000.3	806.8	24%	968.0	3%
Net debt [8]	729.8	740.9	(1%)	723.9	1%
TCC, US$ m [8][9]	150.9	174.7	(14%)	197.6	(24%)
TCC, US$/oz [8][9]	719	956	(25%)	755	(5%)
AISC, US$/oz [8][9]	881	1,204	(27%)	1,013	(13%)

(6) May include the effect of rounding
(7) Normalised EBITDA
(8) For detailed definition, please see "Non-IFRS Financial Measures"
(9) The figures for Q1 2013 and Q4 2013 were recalculated due to changes in accounting policy. For more information, please see Note 2 in the Financial Statements.

Revenue

Revenue in Q1 2014 was US$274.9 million, a 7% decrease compared with US$296.8 million in Q1 2013 due to a 20% fall in the average realised gold price YoY to US$1,299/oz (0.5% above The London Bullion Market Association average of US$1,292/oz) partially offset by higher production (a 15% increase compared with Q1 2013 to 211.1 koz).

Revenue in Q1 2014 decreased by 16% compared with US$328.8 million in Q4 2013 as a result of lower refined gold production and sales volumes mainly from delays experienced with gold refining at Suzdal.

Nordgold does not have any gold hedging in place, and we therefore expect our realised gold price to remain close to the market price in 2014. We essentially remain a pure play gold producing company, and consider market gold prices as the main risk to our revenue forecast.

The low gold price environment after a sharp correction in 2013 remains one of the biggest challenges for the Company. However, Nordgold's focus on growing production, as well as our stringent cost cutting measures, means we remain well positioned.

Total Cash Costs

In Q1 2014, Nordgold's consolidated TCC was US$719/oz, a 25% decrease compared with Q1 2013 (US$956/oz). The consolidated cost reduction was largely driven by improved operational and consumption efficiency. Nordgold achieved YoY TCC improvement at eight out of the Company's nine mines, while Bissa mine TCC was flat YoY.

Nordgold's TCC decreased by 5% compared with Q4 2013 (US$755/oz). The main contributors to the QoQ TCC improvement were Buryatzoloto (down 15%), Neryungri (down 13%), Taparko (down 8%), Bissa (down 5%) and Lefa mines (down 2%).

We continue to implement BSN and other cost cutting initiatives in order to control our costs.

TCC by Mine for Q1 2014, US$ per ounce of gold (10)

Mines	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
Bissa (11)	457	455	0%	481	(5%)
Taparko	609	777	(22%)	665	(8%)
Lefa (11)	1,073	1,693	(37%)	1,091	(2%)
Buryatzoloto (11)	878	1,093	(20%)	1,030	(15%)
Berezitovy (11)	670	777	(14%)	692	(3%)
Neryungri (11)	706	1,050	(33%)	810	(13%)
Aprelkovo	1,086	1,118	(3%)	1,025	6%
Suzdal	875	886	(1%)	746	17%
Nordgold	**719**	**956**	**(25%)**	**755**	**(5%)**

(10) Suldal TCC per ounce of gold doré

(11) The figures for Q1 2013 and Q4 2013 were recalculated due to changes in accounting policy. For more information, please see Note 2 in the Financial Statements.

Our Bissa mine recorded TCC of US$457/oz in Q1 2014, down 5% from US$481 in Q4 2013 and flat compared to Q1 2013. TCC improvement QoQ was achieved mainly due to lower repair costs, lower spare parts consumption as well as closely controlled staff costs. We expect TCC at Bissa to remain very competitive in 2014.

At Taparko, TCC in Q1 2014 was US$609/oz, down 22% compared with Q1 2013 and down 8% compared with Q4 2013. The cost decrease QoQ was mainly driven by higher throughput, improved recovery (up 2.7 pp) and lower stripping ratio, as well as savings mainly from labour cost optimisation. TCC reduction was also related to the decrease of the materials consumptions, such as HFO and grinding balls, cyanide and other plant reagents and consumables.

The most significant TCC reduction on a YoY basis was at Lefa, where TCC decreased by 37% in Q1 2014 to US$1,073/oz owing to the implementation of the Lefa turnaround programme. The costs also decreased QoQ by 2% mainly due to lower staff costs related to workforce reduction and lower service costs, as well as improved consumption efficiency, including a decrease of spare parts and materials consumption. The personnel redundancy payments made in Q1 2014 negatively influenced TCC. We are moving steadily towards our goals, which include stable production of 15-16 koz per month with a TCC target level of US$1,000/oz.

Buryatzoloto achieved significant TCC improvement in Q1 2014 of US$878/oz, down 20% YoY and down 15% QoQ mainly due to higher head grade. The QoQ costs decrease was also related to higher recovery and improved consumption efficiency.

TCC at Berezitovy decreased by 14% compared with Q1 2013 to US$670/oz. TCC also decreased by 3% QoQ mainly due to lower consumption of emulsion explosives, as well as a lower proportion of heap leach production due to seasonality, which has higher costs compared with CIP circuit production.

In Q1 2014, Neryungri recorded a 33% TCC decrease YoY and a 13% decrease QoQ as higher cost during the quarter was compensated by lower opening work in progress balance, as well as lower repair costs.

TCC at Aprelkovo decreased by 3% compared with Q1 2013. On a QoQ basis, costs increased by 6% largely as a result of a 33% output reduction due to seasonality, which was partly compensated by lower rate of cyanide consumption.

At Suzdal, TCC decreased in Q1 2014 by 1% YoY due to an increase in doré production. Costs increased by 17% QoQ to US$875/oz mainly due to temporarily higher consumption of spare parts as a result of unplanned repairs to the No.2 mill and higher staff costs, as well as consumables cost inflation.

In Q1 2014, the improvement of TCC in USD per ounce at Nordgold's mines in Russia and Kazakhstan was supported by the Russian rouble and Kazakhstan tenge depreciation against US dollar during the period.

General and administrative expenses amounted to US$17.3 million compared with US$15.6 million in Q1 2013 and US$20.7 million in Q4 2013. In Q1 2014, G&A costs decreased to US$82/oz compared with US$85/oz in Q1 2013. We continue to review our G&A costs and plan to achieve further decreases in 2014 to increase profitability.

All-in Sustaining Costs

In June 2013, the World Gold Council (WGC) published a guidance note on the all-in sustaining costs metric for gold mining companies. It is expected that the adoption of AISC by precious metal producers will help to provide investors, governments, local communities and other stakeholders with better visibility into the true cost of producing gold.

AISC measures costs related to sustaining production. We calculate it as the sum of EBITDA-based TCC and sustaining capex (capex spent to sustain the current production level).

AISC were US$881/oz for Q1 2014, which is 27% lower than in Q1 2013 (US$1,204/oz) primarily due to a 15% production increase, 25% TCC decrease and 26% decrease in sustaining capex. The 13% QoQ decrease in AISC mainly relates to lower sustaining capex and TCC.

In Q1 2014, double digit improvement of AISC year-on-year was achieved at Lefa, Taparko, Buryatzoloto, Berezitovy, Neryungri and Suzdal mines. Aprelkovo recorded a 9% AISC decrease in Q1 2014 compared with the corresponding period in 2013. Bissa AISC was flat YoY.

We reiterate our consolidated AISC guidance of US$1,050/oz - US$1,100/oz for the full year 2014. At such AISC levels we expect to be able to generate meaningful positive free cash flow.

AISC by Mine for Q1 2014, US$ per ounce of gold (12) (13)

Mines	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
Bissa	531	532	0%	600	(12%)
Taparko	734	981	(25%)	1,092	(33%)
Lefa	1,237	2,019	(39%)	1,338	(8%)
Buryatzoloto	1,084	1,443	(25%)	1,490	(27%)
Berezitovy	764	931	(18%)	824	(7%)
Neryungri	799	1,243	(36%)	930	(14%)
Aprelkovo	1,122	1,227	(9%)	1,166	(4%)
Suzdal	980	1,174	(16%)	917	7%
Nordgold	**881**	**1,204**	(27%)	**1,013**	(13%)

(12) Suldal AISC per ounce of gold doré
(13) The figures for Q1 2013 and Q4 2013 were recalculated due to changes in accounting policy. For more information, please see Note 2 in the Financial Statements.

Finance Income and Finance Costs

Net finance costs in Q1 2014 increased by US$22.0 million to US$28.4 million compared with the previous quarter (US$6.4 million). Q1 2014 interest expense was US$15.5 million, almost flat QoQ, while other finance costs totaled US$8.9 million and was mainly related US$7.1 million of costs related to the discontinuance of hedge accounting and $US1.3 million of royalties related to Bissa operations. Also in Q1 2014, net finance costs included a foreign exchange loss of US$4.7 million, in contrast to the foreign exchange gain of US$12.6 million reported in Q4 2013.

In Q1 2014, Nordgold entered into a 5-year facility agreement with Sberbank CIB[14] for the amount of US$500 million[15]. The proceeds from the facility were partially used to repay Nordgold's existing debt facilities (approximately US$465.5 million), with the balance being used for general corporate purposes.

(14) On the basis of CJSC "Sberbank CIB"
(15) Financing provided by Sberbank of Russia

Taxation

Taxes other than income taxes for Q1 2014 amounted to US$17.3 million and were broadly in line with Q1 2013 (US$17.8 million). Taxes other than income taxes decreased by 9% in the reporting quarter compared with US$19.0 million in Q4 2013 mainly due to lower production volumes, as the most significant part of taxes other than income taxes is mining tax.

Nordgold reported an income tax expense of US$3.5 million in Q1 2014 compared with US$7.6 million in Q1 2013 and US$4.3 million in Q4 2013. Interim period income tax is accrued based on the estimated average annual effective income tax rate of 12.5% compared with 34.1% in Q1 2013. The decrease of the estimated average effective tax rate in 2014 expected mainly due to decrease of Lefa profit share in 2014, which is taxable at 30.0% and higher than the average tax rate for Nordgold, as well as increase of Nordgold loss share in 2014, which is not deductible for tax purposes.

Cash Flow

The Company continues to pay close attention to its liquidity position and to optimise cash flow in order to maximise shareholder value. We are targeting positive free cash flow at all of our operating mines in 2014 through cost, working capital and capex optimisation. Nordgold plans to use the cash generated for organic debt reduction and dividend distributions to shareholders.

Despite the market gold price correction, Nordgold's cash flows from operating activities for Q1 2014 were strongly positive at US$49.8 million compared with US$40.0 million for Q1 2013.

Nordgold's cash flows for the reporting period would potentially have been higher if Suzdal's 20.1 thousand ounces of doré produced in Q1 2014 had been converted to refined metal. However in Q1 2014, Suzdal's refined gold production and sales were affected by negotiations with the National Bank of Kazakhstan and a newly built refinery plant "Tau-Ken Altyn". The issue was resolved in April 2014 and Suzdal's doré produced in Q1 2014 has been refined and sold during Q2 2014 and will be accounted in Q2 2014 revenue, EBITDA and operating cash flows.

Operating cash flows were also affected by lower than expected refined gold production QoQ at Buryatzoloto due to the fact that some gold doré was produced at the end of March, after all planned shipments in Q1 2014 from the mines to the refinery had already been completed. This doré will be shipped from Buryatzoloto's stockpile to the refinery plant in Q2 2014.

In Q1 2014, the Bissa mine, which was launched in January 2013 and fully ramped up in the following months, remained the main cash-generating asset with US$42.3 million of operating cash flow recorded in the reporting quarter, while Suzdal posted negative operating cash flow of US$15.3 million due to unsold doré produced in Q1 2014.

Cash flows used in investing activities for Q1 2014 amounted to an outflow of US$30.8 million compared with an outflow of US$69.4 million in Q1 2013. The difference mainly relates to lower cash used for development and maintenance capital expenditures (US$21.1 million in Q1 2014 compared with US$53.6 million in Q1 2013) as well as lower exploration and evaluation capex (US$5.8 million in Q1 2014 compared with US$14.7 million in Q1 2013).

Nordgold reported a total cash inflow of US$14.5 million in Q1 2014 from financing activities. In Q1 2014, Nordgold entered into a 5-year facility agreement with Sberbank CIB [(14)] for the amount of US$500 million[(15)]. The proceeds from the facility were partially used for the debt repayment (US$465.5 million), as well as general corporate purposes.

Nordgold generated positive free cash flow of US$22.9 million in Q1 2014 and increased cash and cash equivalents as of March 31, 2014 to US$270.5 million. We remain strongly focused on our strategy to operate with positive free cash flow at all our producing units and continue to improve our operational efficiency and closely work on working capital management.

(14) On the basis of CJSC "Sberbank CIB"
(15) Financing provided by Sberbank of Russia

Debt Position

As of March 31, 2014 Nordgold's total debt was US$1,000.3 million, US$32.3 million higher than at the December 31, 2013 (US$968.0 million). The Company's net debt position at March 31, 2014 was US$729.8 million, US$5.9 million higher that net debt at December 31, 2013 (US$723.9 million). Net debt/LTM EBITDA remained at 1.7x at the end of March 2014, which is significantly below our covenant level of 3.0x net debt/LTM EBITDA.

In Q1 2014, Nordgold entered into a 5-year facility agreement with Sberbank CIB(14) for the amount of US$500 million(15). The proceeds from the facility were partially used to repay Nordgold's existing debt facilities, with the balance being used for general corporate purposes. The refinancing helps us to reduce our cost of debt and improve our liquidity position and debt profile, decreasing short-term debt to almost zero, with the first debt repayment due to be made in 2016.

(14) On the basis of CJSC "Sberbank CIB"
(15) Financing provided by Sberbank of Russia

Production Overview

Refined Gold Production by Mine, koz [16]

Operating results	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
Bissa	68.2	40.4	69%	75.7	(10%)
Taparko	33.1	29.4	13%	31.1	6%
Lefa	40.2	34.4	17%	43.7	(8%)
Buryatzoloto	24.9	23.3	7%	26.2	(5%)
Berezitovy	27.0	26.1	3%	35.6	(24%)
Neryungri	12.1	10.7	13%	20.9	(42%)
Aprelkovo	5.3	4.4	20%	7.9	(33%)
Suzdal	0.3	15.1	(98%)	22.3	(99%)
Nordgold [17][18]	**211.1**	**183.6**	15%	**263.4**	(20%)
Suzdal (doré)	20.1	16.1	25%	22.1	(9%)

(16) Including 1.473 thousand gold equivalent ounces of silver production for Q1 2014
(17) Excluding Suzdal doré production
(18) May include the effect of rounding

Operating Results Summary [19]

Operating results	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
LTIFR	0.40	1.15	(65%)	1.33	(70%)
Run of mine, kt [20]	22,329	27,814	(20%)	25,427	(12%)
Waste mined, kt [20]	18,840	24,351	(23%)	21,652	(13%)
Ore mined, kt	3,795	3,734	2%	4,054	(6%)
Stripping ratio, tn/tn [21]	5.40	7.03	(23%)	5.74	(6%)
Ore milled, kt	4,345	3,446	26%	4,874	(16%)
Grade, g/t	1.97	1.97	0%	1.97	0%
Recovery, %	82.5	82.7	(0.2 pp)	82.1	0.4 pp
Gold production, koz [22]	211.1	183.6	15%	263.4	(20%)
Gold sold, koz	211.6	183.8	15%	263.1	(20%)
Average realised gold price per ounce sold, US$/oz	1,299	1,615	(20%)	1,250	4%
Revenue, US$m	274.9	296.8	(7%)	328.8	(16%)

Ore processed multiplied by head grade and multiplied by recovery may not be equal to gold produced due to differences in work in progress figures and volumes of silver production

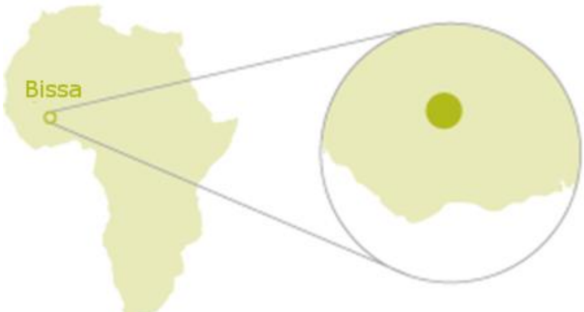
(19) May include the effect of rounding
(20) Presented only for open pit mines
(21) Calculated for total ore mined and waste mined only for open pits
(22) Excluding Suzdal doré production

Financial and Operating Results

Q1 2014

Burkina Faso

Bissa



In Q1 2014, the Bissa mine continued to exceed planned performance due to positive reconciliation against the geological model, with 68.2 koz of gold produced in the reporting quarter out of a full year 2014 production forecast of 200 koz. Ore milled at the Bissa plant in Q1 2014 totaled 889 kt at an average head grade of 2.70 g/t, while the 2014 average head grade is expected to be 2.10 g/t. The average plant recovery of 88.4% for the quarter was in line with recovery of 87.6% in Q1 2013 and 89.4% in Q4 2013.

In Q1 2014, ore mined totaled 798 kt, supplied from four contributing pits. Ore mining from the IO pit was completed by the end of Q1 2014 and is scheduled for deeper and on strike drilling in Q2 2014. Ore mining continued from the SW pit Phases 1 and 2, which is expected to contribute 21% of the ore mined in 2014. In the reporting period, Bissa also started mining activities at the Bissa Hill 1 and 2 pits. Commencement of mining operations at the Zone 52 pit is planned for early Q2 2014.

Financial and Operating Results	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
LTIFR	0.00	0.00	0%.	0.00	0%
Run of mine, kt	5,246	6,578	(20%)	6,314	(17%)
Waste mined, kt	4,448	5,742	(23%)	5,507	(19%)
Ore mined, kt	798	836	(5%)	807	(1%)
Stripping ratio, tn/tn	5.57	6.87	(19%)	6.83	(18%)
Ore milled, kt	889	747	19%	912	(3%)
Grade, g/t	2.70	2.28	18%	2.79	(3%)
Recovery, %	88.4	87.6	0.8 pp	89.4	(1.0 pp)
Gold production, koz	68.2	40.4	69%	75.7	(10%)
Gold sold, koz	68.2	40.3	69%	75.8	(10%)
Average realised gold price per ounce sold, US$/oz	1,304	1,590	(18%)	1,264	3%
Revenue, US$m	88.9	64.2	38%	95.8	(7%)
EBITDA, US$m (23)(24)	57.0	43.9	30%	57.8	(1%)
EBITDA margin, % (23)(24)	64	68	(4 pp)	60	4 pp
TCC, US$/oz (23)(24)	457	455	0%	481	(5%)
AISC, US$/oz (23)(24)	531	532	0%	600	(12%)

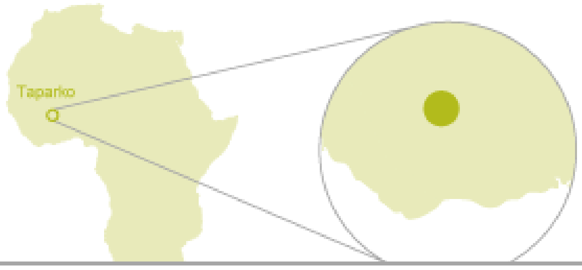
Ore processed multiplied by head grade and multiplied by recovery may not be equal gold produced due to differences in work in progress figures and volumes of silver production.

(23) For detailed definition, please see "Non-IFRS Financial Measures".

(24) The figures for Q1 2013 and Q4 2013 were recalculated due to changes in accounting policy. For more information, please see Note 2 in the Financial Statements.

Financial and Operating Results
Q1 2014

Burkina Faso
Taparko



Taparko gold production for Q1 2014 was 33.1 koz, a 13% increase compared with Q1 2013 (29.4 koz) and a 6% increase compared with Q4 2013 (31.1 koz). The increase in gold production was mainly due to higher ore milled volumes (401 kt in Q1 2014 compared with 386 kt in Q1 2013 and 302 kt in Q4 2013) achieved as a result of a reduction of hard ores in the mill feed blend resulting in a higher through-put rate, and less unplanned downtime associated with the primary ball mill trunnion. Q1 2014 recoveries were at a record level of 85.7% (77.3% in Q1 2013 and 83.0% in Q4 2013), resulting from processing higher recovery ores from the 2N2K and Bouroum pits, while a number of operational improvements have been successfully implemented.

In Q1 2014, the average head grade was 2.87 g/t, while the average head grade in 2014 is expected to be 2.79 g/t. The average mining stripping ratio, including capitalised waste, decreased to 4.32 in Q1 2014 from 7.22 in Q4 2013, due to higher ore volumes mined from the 2N2K pit. The 2014 planned average stripping ratio will range between 7.5 and 8.0, resulting from the commencement of further cutbacks to the GT and 35 pits. An in-fill drilling programme continued at the advanced Yeou project, located within the Taparko exploration license area, and is expected to be completed in Q2 2014. In 2014, Nordgold also intends to conduct geotechnical prospecting and metallurgical testing on representative samples from the Yeou deposit in order to prepare an in-house feasibility study. Exploration works are scheduled to commence by mid-2014 at the Goengo deposit, which is also part of the Taparko exploration area.

Financial and Operating Results	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
LTIFR	0.00	0.00	0%.	2.25	(100%)
Run of mine, kt	3,499	3,848	(9%)	3,408	3%
Waste mined, kt	2,842	3,451	(18%)	2,994	(5%)
Ore mined, kt	658	397	66%	415	59%
Stripping ratio, tn/tn	4.32	8.70	(50%)	7.22	(40%)
Ore milled, kt	401	386	4%	302	33%
Grade, g/t	2.87	2.80	3%	3.89	(26%)
Recovery, %	85.7	77.3	8.4 pp	83.0	2.7 pp
Gold production, koz	33.1	29.4	13%	31.1	6%
Gold sold, koz	33.1	29.4	13%	31.1	6%
Average realised gold price per ounce sold, US$/oz	1,292	1,624	(20%)	1,244	4%
Revenue, US$m	42.8	47.7	(10%)	38.7	11%
EBITDA, US$m (25)	22.0	21.5	2%	14.7	49%
EBITDA margin, % (25)	51	46	5 pp	38	13 pp
TCC, US$/oz (25)	609	777	(22%)	665	(8%)
AISC, US$/oz (25)	734	981	(25%)	1,092	(33%)

Ore processed multiplied by head grade and multiplied by recovery may not be equal gold produced due to differences in work in progress figures and volumes of silver production.

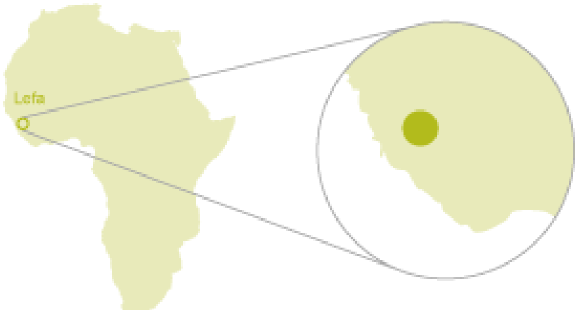
(25) For detailed definition, please see “Non-IFRS Financial Measures”

Financial and Operating Results

Q1 2014

Guinea

Lefa



Lefa produced 40.2 koz in Q1 2014 compared with 34.4 koz in Q1 2013 and 43.7 koz in Q4 2013. First quarter gold production at Lefa increased by 17% YoY driven by higher head grade (1.10 g/t in Q1 2014 compared with 0.93 g/t in Q1 2013) and recoveries. The average grade in ore mined during the reporting period was 1.23 g/t.

A production decrease of 8% compared with Q4 2013 was primarily due to lower ore milled volumes and head grade, partially offset by improved recoveries of 84.8% (from 82.3% in Q4 2013). The lower throughput can be attributed to harder ore in mill feed blends, the unplanned change-out of Hägglunds drives on the Lero crusher apron feeder and several power interruptions.

Our 2014 target is to sustain production at the level of 15 -16 koz per month to turn around Lefa. We also commenced the optimisation of the life-of-mine mining and processing schedules based on improved technical information. During Q2 2014, the development of two new pits is planned: the Firifirini open pit is located 8 km north of the mill and requires the construction of an 8 km haul road, while the Kankarta North pit is located 6 km northwest of the mill and requires the construction of a 4 km haul road. The implementation of efficient maintenance programmes for the mining fleet and plant is underway; five new Komatsu 785 trucks will be delivered to site in Q2 2014. During Q1 2014, Lefa reduced its workforce by 19% to approximately 1,570 employees without business interruption.

Financial and Operating Results	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
LTIFR	0.00	0.00	0%	0.00	0%
Run of mine, kt	3,612	7,621	(53%)	4,613	(22%)
Waste mined, kt	2,808	6,594	(57%)	3,636	(23%)
Ore mined, kt	804	1,027	(22%)	977	(18%)
Stripping ratio, tn/tn	3.49	6.42	(46%)	3.72	(6%)
Ore milled, kt	1,290	1,407	(8%)	1,387	(7%)
Grade, g/t	1.10	0.93	18%	1.23	(11%)
Recovery, %	84.8	84.1	0.7 pp	82.3	2.5 pp
Gold production, koz	40.2	34.4	17%	43.7	(8%)
Gold sold, koz	40.2	34.4	17%	43.7	(8%)
Average realised gold price per ounce sold, US$/oz	1,289	1,626	(21%)	1,255	3%
Revenue, US$m	51.7	55.9	(8%)	54.9	(6%)
EBITDA, US$m (26)(27)	4.4	(5.1)	n.a.	3.9	13%
EBITDA margin, % (26)(27)	8	(9)	n.a.	7	1 pp
TCC, US$/oz (26)(27)	1,073	1,693	(37%)	1,091	(2%)
AISC, US$/oz (26)((27)	1,237	2,019	(39%)	1, 338	(33%)

Ore processed multiplied by head grade and multiplied by recovery may not be equal gold produced due to differences in work in progress figures and volumes of silver production.

(26) For detailed definition, please see "Non-IFRS Financial Measures"

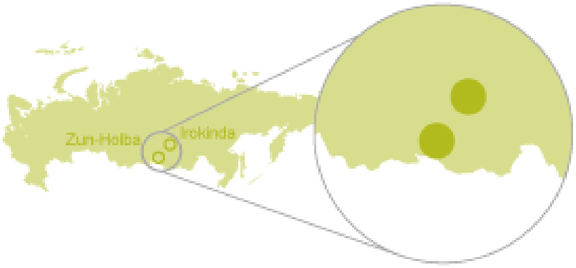
(27) The figures for Q1 2013 and Q4 2013 were recalculated due to changes in accounting policy. For more information, please see Note 2 in the Financial Statements.

Financial and Operating Results

Q1 2014

Russia

Buryatzoloto



Buryatzoloto gold production for Q1 2014 was 24.9 koz, up 7% compared with Q1 2013 (23.3 koz) driven by higher head grade, which reached 5.37 g/t, compared with 4.61 g/t in Q1 2013 and 4.68 g/t in Q4 2013, as a result of continued investments in new level development, the development of new ore blocks, lower dilution and operational improvement initiatives. We expect head grade will remain above 5 g/t in 2014.

The refined gold production QoQ was lower than expected due to the fact some gold doré was produced at the end of the March, when all shipments from the mine to the refinery had already been completed. This doré will be shipped from the Buryatzoloto stockpile to the refinery plant in Q2 2014. In Q1 2014 doré production increased by 5% compared with Q4 2013.

At Zun-Holba, 90.40 kt of ore at 5.66 g/t was produced from the Adits and Shaft levels. At Irokinda, 66.60 kt of ore at 6.60 g/t was mined from the vein 3, vein Vysokaya and vein Serebryakovskaya adits; while the other veins contributed 12.70 kt at 4.68 g/t. At Irokinda, development of the mechanised declines at the vein 3 and vein Serebryakovskaya mines continued, and reached their first respective ore levels.

Financial and Operating Results	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
LTIFR	1.32	3.14	(58%)	1.37	(4%)
Ore mined, kt	181	168	8%	175	3%
Ore milled, kt	166	163	2%	169	(2%)
Grade, g/t	5.37	4.61	16%	4.68	15%
Recovery, %	92.8	94.1	(1.3 pp)	92.3	0.5 pp
Gold production, koz	24.9	23.3	7%	26.2	(5%)
Gold sold, koz	25.0	23.3	7%	26.1	(4%)
Average realised gold price per ounce sold, US$/oz	1,306	1,621	(19%)	1,247	5%
Revenue, US$m	32.7	37.7	(13%)	32.6	0%
EBITDA, US$m (28)(29)	8.4	9.7	(14%)	3.1	171%
EBITDA margin, % (28)(29)	26	26	0 pp	9	16 pp
TCC, US$/oz (28)(29)	878	1,093	(20%)	1,030	(15%)
AISC, US$/oz (28)(29)	1,084	1,443	(25%)	1,490	(27%)

Ore processed multiplied by head grade and multiplied by recovery may not be equal to gold produced due to differences in work in progress figures and volumes of silver production.

(28) For detailed definition, please see “Non-IFRS Financial Measures”

(29) The figures for Q1 2013 and Q4 2013 were recalculated due to changes in accounting policy. For more information, please see Note 2 in the Financial Statements.

Financial and Operating Results

Q1 2014

Russia

Berezitovy

Berezitovy produced 27.0 koz of gold in Q1 2014, an increase of 3% compared with Q1 2013 (26.1 koz) driven by increased volumes of ore mined (492 kt in Q1 2014 compared with 362 kt in Q1 2013) and a corresponding increase of ore milled (448 kt in Q1 2014 compared with 380 kt in Q1 2013). During Q2 2014, mill feed grade is planned at 2.20 g/t, and we are targeting 30 koz of gold production.

The stripping ratio increased to 6.18 in Q1 2014 from 4.16 in Q4 2013, due to mining of the Phase 3 cut-back. The stripping ratio is expected to be at the level of approximately 7.0 in 2014.

Financial and Operating Results	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
LTIFR	0.00	0.00	0%	1.87	(100%)
Run of mine, kt	3,528	3,165	11%	3,643	(3%)
Waste mined, kt	3,036	2,804	8%	2,937	3%
Ore mined, kt	492	362	36%	706	(30%)
Stripping ratio, tn/tn	6.18	7.80	(21%)	4.16	49%
Ore milled, kt	448	380	18%	471	(5%)
Grade, g/t	2.00	2.30	(13%)	2.30	(13%)
Recovery, %	89.1	90.0	(0.9 pp)	91.0	(1.9 pp)
Gold production, koz (30)	27.0	26.1	3%	35.6	(24%)
Gold sold, koz (30)	27.2	26.1	4%	35.3	(23%)
Average realised gold price per ounce sold, US$/oz	1,309	1,622	(19%)	1,247	5%
Revenue, US$m	35.6	42.4	(16%)	44.1	(19%)
EBITDA, US$m (31)(32)	16.2	19.4	(17%)	18.5	(13%)
EBITDA margin, % (31)(32)	45	46	(1 pp)	42	3 pp
TCC, US$/oz (31)(32)	670	777	(14%)	692	(3%)
AISC, US$/oz(31) (32)	764	931	(18%)	824	(7%)

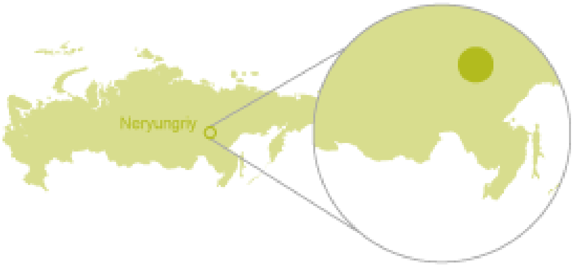
Ore processed multiplied by head grade and multiplied by recovery may not be equal gold produced due to differences in work in progress figures and volumes of silver production.

(30) Including gold from heap leach

(31) For detailed definition, please see "Non-IFRS Financial Measures"

(32) The figures for Q1 2013 and Q4 2013 were recalculated due to changes in accounting policy. For more information, please see Note 2 in the Financial Statements.

Russia
Neryungri



Neryungri produced 12.1 koz of gold in Q1 2014, an increase of 13% on Q1 2013 (10.7 koz) as a result of stacking both run of mine lower grade ores and crushed higher grade ores. The production in Q1 2014 decreased by 42% compared with Q4 2013 (20.9 koz) as a result of lower ore volumes stacked due to normal seasonal winter effects.

The Neryungri pit is currently in a waste stripping phase, a strip ratio of 9.78 was recorded during the quarter. In Q1 2014, Nordgold commenced waste stripping and mining at the Gross open pit operation where the total run of mine ore equalled 515.2 thousand tonnes, with 348.4 thousand tonnes of waste mined and 166.8 thousand tonnes of ore mined. The 2014 plan includes the mining of 1.8 million tonnes of ore, which will be processed at Neryungri as part of the Gross heap leach trial.

Financial and Operating Results	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
LTIFR	0.00	0.00	0%	2.15	(100%)
Run of mine, kt	3,610	3,733	(3%)	4,655	(22%)
Waste mined, kt	3,275	3,450	(5%)	4,097	(20%)
Ore mined, kt	335	283	18%	558	(40%)
Stripping ratio, tn/tn	9.78	12.20	(20%)	7.34	33%
Ore milled, kt	505	83	508%	1,105	(54%)
Grade, g/t	0.68	1.13	(40%)	0.80	(15%)
Recovery, % (33)	75.0	75.0	0 pp	75.0	0 pp
Gold production, koz	12.1	10.7	13%	20.9	(42%)
Gold sold, koz	12.1	10.7	13%	20.9	(42%)
Average realised gold price per ounce sold, US$/oz	1,292	1,620	(20%)	1,232	5%
Revenue, US$m	15.7	17.4	(10%)	25.7	(39%)
EBITDA, US$m (34)(35)	6.0	4.6	29%	6.7	(10%)
EBITDA margin, % (34)(35)	38	27	11 pp	26	12 pp
TCC, US$/oz (34)(35)	706	1,050	(33%)	810	(13%)
AISC, US$/oz(34)(35)	799	1,243	(36%)	930	(14%)

Ore processed multiplied by head grade and multiplied by recovery may not be equal gold produced due to differences in work in progress figures and volumes of silver production.

(33) Technical recovery rate. Actual recovery may differ due to seasonal effects.
(34) For detailed definition, please see "Non-IFRS Financial Measures"
(35) The figures for Q1 2013 and Q4 2013 were recalculated due to changes in accounting policy. For more information, please see Note 2 in the Financial Statements.

Russia
Aprelkovo

In Q1 2014, Aprelkovo gold production increased by 20% compared with Q1 2013 to 5.3 koz, mainly due to increased ore volumes processed. Gold production in Q1 2014 decreased by 33% compared with 7.9 koz in Q4 2013, mainly due to normal seasonal winter effects. A total of 280 kt of ore at an average grade of 1.21 g/t was crushed and stacked during Q1 2014.

Financial and Operating Results	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
LTIFR	0.00	0.00	0%	0.00	0%
Run of mine, kt	2,833	2,870	(1%)	2,794	1%
Waste mined, kt	2,431	2,311	5%	2,481	(2%)
Ore mined, kt	401	559	(28%)	313	28%
Stripping ratio, tn/tn	6.06	4.10	48%	7.94	(24%)
Ore milled, kt	280	189	48%	280	0%
Grade, g/t	1.21	1.26	(4%)	1.19	2%
Recovery, % (36)	47.7	46.7	1.0 pp	46.7	1 pp
Gold production, koz	5.3	4.4	20%	7.9	(33%)
Gold sold, koz	5.4	4.4	23%	7.9	(32%)
Average realised gold price per ounce sold, US$/oz	1,306	1,618	(19%)	1,245	5%
Revenue, US$m	7.1	7.2	(1%)	9.8	(28%)
EBITDA, US$m (37)(38))	1.1	2.1	(50%)	1.1	0%
EBITDA margin, % (37)(38)	15	29	(14 pp)	11	4 pp
TCC, US$/oz (37)	1,086	1,118	(3%)	1,025	6%
AISC, US$/oz (37)(38)	1,122	1,227	(9%)	1,166	(4%)

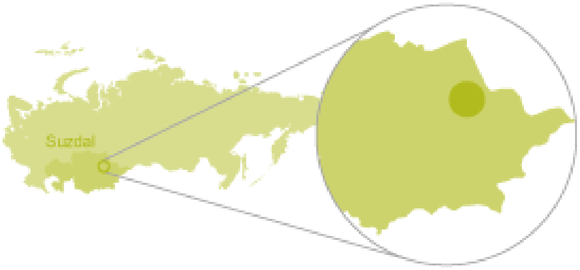
Ore processed multiplied by head grade and multiplied by recovery may not be equal gold produced due to differences in work in progress figures and volumes of silver production.

(36) Technical recovery rate. Actual recovery may differ due to seasonal effects.
(37) For detailed definition, please see “Non-IFRS Financial Measures”
(38) The figures for Q1 2013 and Q4 2013 were recalculated due to changes in accounting policy. For more information, please see Note 2 in the Financial Statements.

Kazakhstan

Suzdal

*Includes gold from Zherek



The Suzdal mine produced 20.1 thousand ounces of doré (an increase of 25% compared with Q1 2013), while its refined gold production and sales were affected in Q1 2014 by negotiations with the National Bank of Kazakhstan and a newly built refinery plant “Tau-Ken Altyn”. The issue was resolved in April 2014 and Suzdal’s doré has been refined and sold during Q2 2014.

Ore milled decreased by 10% QoQ mainly due to unplanned repairs to the No.2 mill, while an increase in sulphur content in ore milled during the winter influenced BIOX temperatures and thus milled volumes. Recoveries were also impacted by higher BIOX temperatures. Test-work conducted on the BIOMIN Hot-Leaching process aimed at improving the gold dissolution, yielded positive results. A feasibility study will commence in Q2 2014.

Financial and Operating Results	Q1 2014	Q1 2013	Change, YoY	Q4 2013	Change, QoQ
LTIFR	0.00	3.90	(100%)	4.16	(100%)
Ore mined, kt (39)	126	103	22%	105	20%
Ore milled, kt (39)	128	92	39%	144	(11%)
Grade, g/t (39)	7.20	8.10	(11%)	7.09	2%
Recovery, % (39)	68.1	69.4	(1.3 pp)	67.9	0.2pp
Doré production, koz (40)	20.1	16.1	25%	22.1	(9%)
Refined gold sold, koz (40)	0.3	15.1	(98%)	22.3	(99%)
Average realised gold price per ounce sold, US$/oz (40)	1,314	1,612	(18%)	1,223	7%
Revenue, US$m (40)	0.4	24.3	(98%)	27.3	(99%)
EBITDA, US$m (41)	(3.1)	8.3	n.a.	8.0	n.a.
EBITDA margin, % (41)	n.a.	34.2	n.a.	29	n.a.
TCC, US$/oz (41)	875	886	(1%)	746	17%
AISC, US$/oz (41)	980	1,174	(16%)	917	7%

Ore processed multiplied by head grade and multiplied by recovery may not be equal gold produced due to differences in work in progress figures and volumes of silver production.

(39) Represents figures for Suzdal
(40) Represents figures for Celtic Group, includes gold from Zherek.
(41) For detailed definition, please see “Non-IFRS Financial Measures”

Financial and Operating Results
Q1 2014

Telephone Conference and Q&A Session

Nikolai Zelenski, Chief Executive Officer of Nordgold and Louw Smith, Chief Operating Officer will present the Company's financial and operating results for the first quarter of 2014 on a conference call to be held on May 15, 2014 at 11.30 pm London time (BST). The presentation will be followed by a Q&A session. To participate in the telephone conference, please register in advance.

Registration Details

Conference Title: Nordgold's Presentation of Q1 2014 Financial Results

To participate in the telephone conference, please dial:

Great Britain
+44 203 367 9454

USA
+1 855 402 7763

Russia
+7 495 705 9472

Webcast
The presentation will be broadcast live over the Internet and will also be available as a recording after the conference.

To participate in the webcast please follow the link:

http://www.anywhereconference.com?UserAudioMode=DATA&Name=&Conference=135287510&PIN=460091

Materials

The Company's financial and operating results for the first quarter, ending March 31, 2014 and associated presentation materials will be available on May 15, 2014 on the Company's official website: www.nordgold.com.

Non-IFRS Financial Measures

This press release includes certain measures that are not measures defined by International Financial Reporting Standards (as adopted by the European Union) (“IFRS”). These measures are EBITDA and EBITDA margin, total cash costs, all-in sustaining cost and net debt, and they are used by the management of Nordgold to assess the Company’s financial performance. However, these measures should not be used instead of or considered as alternatives to Nordgold’s historical financial results based on IFRS. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company.

EBITDA and EBITDA Margin

EBITDA results from operating activities adjusted for income tax expense, finance income and costs, depreciation and amortisation charges, impairment / (reversal of impairment) of non-current assets, the net result from the disposal of property, plant and equipment, equity remeasurement loss / (gain), social expenses and charity donations, and net gain on disposal of subsidiaries. Nordgold uses EBITDA in the reporting of its segments and in assessing its growth and operational efficiencies. The EBITDA margin is EBITDA as a percentage of sales.

Information regarding EBITDA and the EBITDA margin or similar measures is sometimes used by investors to evaluate the efficiency of a company’s operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements.

EBITDA, by itself, does not provide a sufficient basis to compare Nordgold’s performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity.

Total Cash Cost

Total cash costs measure what Nordgold considers to be the cash costs most relevant to its principal operations. Total cash cost is calculated by subtracting non-cash, central corporate and ancillary or exceptional operational costs (including depreciation and amortisation, provision for asset retirement obligations, allowance for slow-moving and obsolete inventories, corporate overheads, allowance for bad debts, unused employee vacation time and employee bonuses, change in finished goods and revenue of by-products) from cost of sales, general and administrative expenses and taxes other than income tax.

All-In Sustaining Costs

All-in-sustaining cost (“AISC”) stands for the costs related to sustaining production and is calculated as the amount of production cash cost, plus cash selling general and administrative expenses, plus taxes other than income tax and other cash operating result with addition of capital expenditure spent to sustain the production level. The latter includes maintenance capex on all the mines, exploration capex on operating mines and capitalised stripping together with underground development performed on operating mines.

Net Debt

In order to assess Nordgold’s liquidity position, management uses a measure of net cash or debt, which is the sum of short- and long-term debt finance less cash and cash equivalents. Short-term and long-term debt includes loans and other credit facilities, accrued interest and bank overdrafts.

Capex

Capital expenditure ("capex") is the amount of additions to construction in progress ("CIP"), property, plant and equipment and intangible assets as disclosed in IFRS financial statements, adjusted for net change of advances paid for CIP and result of dismantling of fixed assets into materials.

Free cash flow

Free cash flow represents cash flows from operating activities less cash used for capital expenditure.

Enquiries

Nordgold

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For further information on Nordgold please visit the Company's website - www.nordgold.com

Notes to Editors

About Nordgold

Nordgold (LSE: NORD) is a pure-play emerging-markets gold producer established in 2007. The Company has expanded rapidly through acquisitions and organic investment, achieving a rate of growth unmatched in the industry during that period. In 2013 Nordgold's gold production was 924.4 koz, up from 717 koz in 2012.

The company operates 9 active mines and has one development project, 5 advanced exploration projects and a diverse portfolio of early exploration projects and licenses in Russia, Kazakhstan, Burkina Faso, Guinea and French Guiana. Nordgold employs about 10,000 people.

Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this press release, including any information as to Nordgold's estimates, strategy, projects, plans, prospects, future outlook, anticipated events or results or future financial or operating performance and production may constitute "forward-looking information" within the meaning of applicable securities laws. All statements, other than statements of historical fact, constitute forward-looking information. Forward-looking information can often, but not always, be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "predicts", "potential", "continue" or "believes", or variations (including negative variations) of such words, or statements that certain actions, events or results "may", "could", "would", "should", "might", "potential to", or "will" be taken, occur or be achieved or other similar expressions concerning matters that are not historical facts. The purpose of forward-looking information is to provide the reader with information about *management's expectations and plans. Readers are cautioned that forward-looking statements are not guarantees of future performance.*

All forward-looking statements made or incorporated in this press release are qualified by these cautionary statements.

Forward-looking information involves significant risks, assumptions, uncertainties and other factors that may cause actual future realities or anticipated events to differ materially from those expressed or implied in any forward-looking information and, accordingly, should not be read as guarantees of future performance or realities. Material factors or assumptions that were applied in formulating the forward-looking information contained herein include the assumption that the business and economic conditions affecting Nordgold's operations will continue substantially in their current state, including, without limitation, with respect to industry conditions, general levels of economic activity, market prices for gold, competition for and scarcity of gold mine assets, achievement of anticipated mineral reserve and mineral resource tonnages or grades, ability to develop additional mineral reserves, acquisition of funding for capital expenditures, adequacy and availability of production, processing and product delivery infrastructure, electricity costs, continuity and availability of personnel and third party service providers, local and international laws and regulations, foreign currency exchange rates and interest rates, inflation, taxes, and that there will be no unplanned material changes to Nordgold's facilities, equipment, customer and employee relations and credit arrangements. Nordgold cautions that the foregoing list of material factors and assumptions is not exhaustive. Many of these assumptions are based on factors and events that are not within the control of Nordgold and there is no assurance that they will prove correct. The risks and other factors that may cause actual future realities or anticipated events to differ materially from those expressed or implied in any forward-looking information include, but are not limited to Nordgold's ability to execute its development and exploration programs; the financial and operational performance of Nordgold; civil disturbance, armed conflict or security issues at the mineral projects of Nordgold; political factors; the capital requirements associated with operations; dependence on key personnel; compliance with environmental regulations; estimated production; and competition.

Actual performance or achievement could differ materially from that expressed in, or implied by, any forward-looking information in this press release and, accordingly, investors should not place undue reliance on any such forward-looking information. Further, any forward-looking information speaks only as of the date on which such statement is made, and Nordgold does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or realities after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by applicable securities laws. All forward-looking information contained in this press release is qualified by such cautionary statements. New risk factors emerge from time to time, and it is not possible for management to predict all of such risk factors and to assess in advance the impact of each such factor on Nordgold's business or the extent to which any factor, or combination of factors, may cause actual realities to differ materially from those contained in any forward-looking information.

Financial and Operating Results

Q1 2014

Nord Gold N.V.

Interim Condensed Consolidated Financial Statements
as at and for the Three Months Ended 31 March 2014

Contents

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement is made with a view to confirm the responsibilities of Directors in relation to the interim condensed consolidated financial statements of Nord Gold N.V. and its subsidiaries (the "Group").

Directors are responsible for the preparation of the interim condensed consolidated financial statements that present fairly the consolidated financial position of the Group as at 31 March 2014, and financial performance, cash flows and changes in equity for the three months then ended, in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34").

In preparing the interim condensed consolidated financial statements, Directors are responsible for:

- Selecting suitable accounting principles and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Stating whether IAS 34 has been followed, subject to any material departures disclosed and explained in the interim condensed consolidated financial statements; and
- Preparing the interim condensed consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business for the foreseeable future.

Directors are also responsible for:

- Designing, implementing and maintaining an effective system of internal controls, throughout the Group;
- Maintaining statutory accounting records in compliance with the legislation and accounting standards in the jurisdictions in which the Group operates;
- Taking steps to safeguard the assets of the Group; and
- Detecting and preventing fraud and other irregularities.

The Board of Directors hereby declares that, to the best of their knowledge the interim condensed consolidated financial statements for the three months ended 31 March 2014 prepared in accordance with IAS 34, give a true and fair view of the Group's consolidated assets, liabilities, financial position, and profit and loss.

The interim condensed consolidated financial statements for the three months ended 31 March 2014 were approved on 14 May 2014 on behalf of the Board of Directors by:

Zelensky N.G. Chief Executive Officer	Zinkovich S.V. Chief Financial Officer

Nord Gold N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
THREE MONTHS ENDED 31 MARCH 2014 (UNAUDITED)
(Amounts in thousands of US dollars, except as otherwise stated)

		Three months ended 31 March	
	Note	**2014**	**2013 (Restated)**
Sales	4	274 896	296 816
Cost of sales		(186 846)	(219 322)
Gross profit		**88 050**	**77 494**
General and administrative expenses	5	(17 301)	(15 638)
Taxes other than income tax		(17 316)	(17 810)
Other operating income/(expenses), net		3 132	(834)
Profit from operations		**56 565**	**43 212**
Finance income	6	625	431
Finance costs	6	(29 068)	(21 426)
Profit before income tax		**28 122**	**22 217**
Income tax expense	7	(3 521)	(7 573)
Profit for the period		**24 601**	**14 644**
Attributable to:			
Shareholders of the Company		19 266	8 908
Non-controlling interest		5 335	5 736
Weighted average number of shares outstanding during the period (millions of shares)	8	378,122	378,068
Earnings per share			
Basic and diluted earnings per share (US dollars)	8	0,05	0,02

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
THREE MONTHS ENDED 31 MARCH 2014 (UNAUDITED)
(Amounts in thousands of US dollars, except as otherwise stated)

	Three months ended 31 March	
	2014	**2013 (Restated)**
Profit for the period	**24 601**	**14 644**
Items that may be reclassified subsequently to profit and loss:		
Foreign exchange differences	(77 150)	(28 746)
Changes in fair value of cash flow hedges	2 372	(1 442)
Revaluation of available-for-sale financial investments	17 301	(15 755)
Deferred tax on revaluation of available-for-sale investments	(2 074)	1 903
Items that will not be reclassified subsequently to profit and loss:		
Foreign exchange differences	(3 577)	(2 130)
Other comprehensive loss for the period, net of tax	**(63 128)**	**(46 170)**
Total comprehensive loss for the period	**(38 527)**	**(31 526)**
Attributable to:		
Shareholders of the Company	(40 285)	(34 998)
Non-controlling interest	1 758	3 472

Nord Gold N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (UNAUDITED)
(Amounts in thousands of US dollars, except as otherwise stated)

	Note	31 March 2014	31 December 2013 (Restated)
ASSETS			
Current assets			
Cash and cash equivalents		270 516	244 042
Accounts receivable		55 036	51 787
Inventories		428 842	435 777
VAT recoverable		79 724	82 656
Income tax receivable		8 172	10 854
Total current assets		**842 290**	**825 116**
Non-current assets			
Property, plant and equipment	10	770 930	816 356
Intangible assets		867 455	906 000
Long-term financial investments	12	33 419	16 534
Investment in joint venture		1 986	3 105
Restricted cash		8 312	6 496
Deferred tax assets		23 690	26 466
Other non-current assets		29 124	31 502
Total non-current assets		**1 734 916**	**1 806 459**
TOTAL ASSETS		**2 577 206**	**2 631 575**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	11	13 216	326 678
Accounts payable		174 102	203 143
Income tax payable		48 620	44 196
Provisions		12 808	19 655
Total current liabilities		**248 746**	**593 672**
Non-current liabilities			
Long-term borrowings	11	987 110	641 279
Provisions		64 125	67 608
Deferred tax liabilities		53 467	59 683
Other non-current liabilities		16 968	18 736
Total non-current liabilities		**1 121 670**	**787 306**
Total liabilities		**1 370 416**	**1 380 978**
Equity			
Share capital		1 307 121	1 307 121
Additional paid-in capital		894 352	894 352
Foreign exchange differences		(191 302)	(114 152)
Accumulated losses		(898 453)	(912 439)
Revaluation reserves		14 840	(2 759)
Total equity attributable to shareholders of the Company		**1 126 558**	**1 172 123**
Non-controlling interest		80 232	78 474
Total equity		**1 206 790**	**1 250 597**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2 577 206**	**2 631 575**

Nord Gold N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
THREE MONTHS ENDED 31 MARCH 2014 (UNAUDITED)
(Amounts in thousands of US dollars, except as otherwise stated)

	Three months ended 31 March	
	2014	**2013 (Restated)**
Operating activities		
Profit for the period	**24 601**	**14 644**
Adjustments for:		
Finance income	(625)	(431)
Finance costs	29 068	21 426
Income tax expense	3 521	7 573
Depreciation and amortization	46 530	54 198
Impairment/(Reversal of impairment) of non-current assets	614	(56)
Net loss from joint ventures	850	124
Loss on disposal of property, plant and equipment, net	153	9
Movements in provisions for inventories, receivables and other provisions	(597)	71
	104 115	**97 558**
Changes in operating assets and liabilities:		
Accounts receivable	(1 240)	10 593
Inventories	(16 079)	(28 279)
VAT recoverable	375	(4 613)
Accounts payable	(23 819)	(4 313)
Net other changes in operating assets and liabilities	2 682	(304)
Cash flows generated from operations	**66 034**	**70 642**
Interest paid	(7 320)	(10 041)
Income taxes paid	(8 871)	(20 579)
Cash flows generated from operating activities	**49 843**	**40 022**
Investing activities		
Additions to property, plant and equipment	(21 128)	(53 610)
Additions to exploration and evaluation assets	(5 778)	(14 686)
Additions to financial investments	(4 510)	(1 172)
Other movements	589	74
Cash used in investing activities	**(30 827)**	**(69 394)**
Financing activities		
Proceeds from debt finance	500 841	79 633
Repayment of debt finance	(480 772)	(1 309)
Acquisition of non-controlling interest	(224)	(26 504)
Dividends paid	(5 285)	-
Other movements	(47)	-
Cash flows generated from financing activities	**14 513**	**51 820**
Net increase in cash and cash equivalents	**33 529**	**22 448**
Cash and cash equivalents at beginning of the period	244 042	44 991
Effect of exchange rate fluctuations on cash and cash equivalents	(7 055)	(1 531)
Cash and cash equivalents at end of the period	**270 516**	**65 908**

Nord Gold N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED 31 MARCH 2014 (UNAUDITED)
(Amounts in thousands of US dollars, except as otherwise stated)

	Attributable to the shareholders of Nord Gold N.V.						Non-controlling interests	Total
	Share capital	Additional capital	Foreign exchange differences	Accumulated losses	Revaluation reserves	Total		
Balance at 1 January 2013	**1 306 900**	**894 292**	**(43 307)**	**(606 710)**	**55 544**	**1 606 719**	**84 583**	**1 691 302**
Effect of change in accounting policy (Note 2)	-	-	-	(14 148)	-	(14 148)	(337)	(14 485)
Balance at 1 January 2013, restated	**1 306 900**	**894 292**	**(43 307)**	**(620 858)**	**55 544**	**1 592 571**	**84 246**	**1 676 817**
Profit for the period	-	-	-	8 908	-	8 908	5 736	14 644
Other comprehensive income	-	-	(28 746)	-	(15 160)	(43 906)	(2 264)	(46 170)
Total comprehensive (loss) / income for the period						(34 998)	3 472	(31 526)
Share issue	225	60	-	-	-	285	-	285
Acquisitions of non-controlling interest without a change in control	-	-	-	(3 575)	-	(3 575)	(20 331)	(23 906)
Balance at 31 March 2013	**1 307 125**	**894 352**	**(72 053)**	**(615 525)**	**40 384**	**1 554 283**	**67 387**	**1 621 670**
Balance at 1 January 2014	**1 307 121**	**894 352**	**(114 152)**	**(869 489)**	**(2 759)**	**1 215 073**	**79 074**	**1 294 147**
Effect of change in accounting policy (Note 2)	-	-	-	(42 950)	-	(42 950)	(600)	(43 550)
Balance at 1 January 2014, restated	**1 307 121**	**894 352**	**(114 152)**	**(912 439)**	**(2 759)**	**1 172 123**	**78 474**	**1 250 597**
Profit for the period	-	-	-	19 266	-	19 266	5 335	24 601
Other comprehensive income	-	-	(77 150)	-	17 599	(59 551)	(3 577)	(63 128)
Total comprehensive loss for the period						(40 285)	1 758	(38 527)
Dividends	-	-	-	(5 280)	-	(5 280)	-	(5 280)
Balance at 31 March 2014	**1 307 121**	**894 352**	**(191 302)**	**(898 453)**	**14 840**	**1 126 558**	**80 232**	**1 206 790**

1. OPERATIONS

Nord Gold N.V. (the "Company") is a Dutch public limited liability company as defined in the Netherlands Civil Code. The Company's registered office is Luna ArenA, Herikerbergweg 238, 1101 CM Amsterdam Zuidoost, the Netherlands.

As at 31 March 2014 and 31 December 2013, the immediate parent company of the Company was Canway Holding B.V. ("the Parent Company"), registered in the Netherlands, and the Company's ultimate controlling party was Mr. Alexey A. Mordashov.

The principal activity of the Company and its subsidiaries (together referred to as the "Group") is the extraction, refining and sale of gold. Mining and processing facilities are located in Burkina Faso, Guinea, the Republic of Buryatia, the Republic of Yakutia, the Amur region and the Transbaikal region of the Russian Federation, Kazakhstan.

2. BASIS FOR PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These interim condensed consolidated financial statements are not the statutory financial statements.

The interim condensed consolidated financial statements are unaudited and do not include all of the information required in the annual financial statements. The Group omitted disclosures which would substantially duplicate the information contained in its audited annual consolidated financial statements for the year ended 31 December 2013 prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the European Union ("IFRSs EU"), such as accounting policies and details of accounts which have not changed significantly. The Group has provided disclosures where significant events have occurred during three months ended 31 March 2014. Management believes that disclosures provided in these interim condensed consolidated financial statements are adequate to make the information presented not misleading if these financial statements are read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2013. In the opinion of management, these financial statements reflect all adjustments necessary to present fairly the Group's financial position, results of operations, statements of changes in equity and cash flows for the interim reporting periods.

Significant accounting policies

The accounting policies applied by the Group in these interim condensed consolidated financial statements are the same as those applied by the Group in its annual consolidated financial statements for the year ended 31 December 2013, except for the impact of voluntary change in accounting policy or adoption of the new and revised standards and interpretations mandatory for the annual periods beginning on 1 January 2014 on the Group's interim condensed consolidated financial statements which is described below.

Starting from 1 January 2014 the Group has voluntary changed its accounting policy with respect to the current production stripping costs. It was decided to use actual stripping ratio instead of average stripping ratio when allocating the current production stripping costs to the cost of ore mined. The Group now applies the actual stripping ratio method under which all current production stripping costs incurred in the period are charged directly to the cost of ore and no deferred stripping cost is accounted as work-in-progress.

Management believes that such approach provides more accurate and relevant information about current production stripping costs incurred during the period and about work-in-progress balance.

The change of accounting policy was applied retrospectively, the impact of this voluntary change in accounting policy on the consolidated financial statements is primarily to account for the current production stripping costs and the inventory as if the actual stripping ratio method was applied in prior years. The impact on each line item of the interim condensed consolidated financial statements for the three months ended 31 March 2013 and as at 31 December 2013 is shown in the table below.

In prior periods the revaluation of available-for-sale investments acquired on acquisition of subsidiaries was partially presented within accumulated losses and partially in foreign exchange differences. In 2013 management decided to make appropriate reclassifications to correct the presentation. This reclassification is shown as part of adjustment for the accumulated losses balance as at 1 January 2013 in the table below.

(Amounts in thousands of US dollars, except as otherwise stated)

	As previously reported	Adjustments	As restated
Statement of profit or loss for the three months ended 31 March 2013			
Cost of sales	(207 806)	(11 516)	(219 322)
Income tax expense	(10 721)	3 148	(7 573)
Profit for the period	**23 012**	**(8 368)**	**14 644**
Attributable to:			
Shareholders of the Company	17 276	(8 368)	8 908
Basic and diluted earnings per share (US dollars)	0,05	(0,03)	0,02
Statement of other comprehensive income for the three months ended 31 March 2013			
Profit for the period	23 012	(8 368)	14 644
Total comprehensive loss for the period	(23 158)	(8 368)	(31 526)
Attributable to:			
Shareholders of the Company	(26 630)	(8 368)	(34 998)
Statement of financial position as of 31 December 2013			
Inventories	489 369	(53 592)	435 777
Other non-current assets	32 968	(1 466)	31 502
Deferred tax liabilities	71 191	(11 508)	59 683
Accumulated losses	(869 489)	(42 950)	(912 439)
Non-controlling interest	79 074	(600)	78 474
Stetement of cash flows for the three months ended 31 March 2013			
Profit for the period	23 012	(8 368)	14 644
Income tax expense	10 721	(3 148)	7 573
Change in inventory	(37 055)	11 516	(25 539)
Statement of changes in Equity for the three months ended 31 March 2013			
Accumulated losses, Balance at 1 January 2013	(581 033)	(39 825)	(620 858)
Profit for the period , three months ended 31 March 2013	17 276	(8 368)	8 908
Accumulated losses, Balance at 31 March 2013	(567 332)	(48 193)	(615 525)
Accumulated losses, Balance at 1 January 2014	(869 489)	(42 950)	(912 439)
Foreign exchange differences, Balance at 1 January 2013	(40 508)	(2 799)	(43 307)
Foreign exchange differences, Balance at 31 March 2013	(69 254)	(2 799)	(72 053)
Revaluation reserves, Balance at 1 January 2013	27 068	28 476	55 544
Revaluation reserves, Balance at 31 March 2013	11 908	28 476	40 384
Non-controlling interest, Balance at 1 January 2013	84 583	(337)	84 246
Non-controlling interest, Balance at 31 March 2013	67 724	(337)	67 387
Non-controlling interest, Balance at 1 January 2014	79 074	(600)	78 474

Critical accounting judgments, estimates and assumptions

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that were applied in the Group's annual consolidated financial statements for the year ended 31 December 2013.

Seasonality

Due to the cold winter weather in the Russian Federation, which limits the ability to mine, production volumes generated from the Neryungri and Aprelkovo mines are usually higher during the second half of the year. For these mines, ore is placed on heap leach pads mostly in the second and third quarters of each year with revenue being generated primarily in the third and fourth quarters. Accordingly, the volume of work-in-progress inventory increases at the end of the third quarter of each year and declines at the end of the first quarter of the following year, which results in lower revenues in the first half of the year. Moreover, changes in inventory levels impact cash flows from operating activities, usually resulting in significant cash outflows (due to greater expenses associated with the heap leaching process) during the second and third quarters of each year and significant inflows during the first and fourth quarters. The effect of seasonality is not significant at the other Group mines.

Financial risk management

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities.

The Group's Directors monitor compliance with the Group's risk management policies and procedures and review the adequacy of the risk management framework.

3. SEGMENT REPORTING

The Group has nine reportable segments, as described below, representing the Group's strategic business units. Each strategic business unit is managed separately with relevant results regularly reviewed by the Group's CEO. The following summary describes the operations of each reportable segment:

- *Neryungri and Aprelkovo .*The segment includes gold mining activities in the Republic of Yakutia and the Chitinskaya region of the Russian Federation, including open-pit operating mines with the heap-leaching technology for gold processing Tabornoye and Pogromnoye and Gross gold exploration project.
- *Suzdal and Balazhal.* Includes the Suzdal underground gold mine located in Kazakhstan with the flotation, bio-oxidation and carbon-in-leach ("CIL") technology for gold processing and the Balazhal gold deposit in Kazakhstan.
- *Buryatzoloto.* Includes two underground gold mines located in the Republic of Buryatia of the Russian Federation: Zun-Holba with the gravity, flotation and carbon-in-pulp ("CIP") technology for gold processing and Irokinda with gravity and flotation technology for gold processing.
- *Berezitovy.* An open-pit gold mine located in the Amur region of the Russian Federation with the CIP technology for gold processing.

(Amounts in thousands of US dollars, except as otherwise stated)

- *Taparko.* An open-pit gold mine located in Burkina Faso, West Africa with the CIL technology for gold processing.
- *Lefa.* Includes the Lefa open-pit gold mine located in Guinea, West Africa with the CIP technology for gold processing.
- *Bissa.* An open-pit gold mine located in Burkina Faso, West Africa with the CIL technology for gold processing.
- *Burkina Faso Greenfields.* Includes a number of gold deposits at exploration and evaluation stage located in Burkina Faso, West Africa.
- *Russian Greenfields.* Includes a number of gold deposits at exploration and evaluation stage located in the Russian Federation.

Operations of the holding company and subsidiaries involved in non-core activities are disclosed as “Other companies”, none of which meet the criteria for separate reporting.

The Group’s CEO uses normalised EBITDA in assessing each segment’s performance and allocating resources. Normalised EBITDA represents (loss)/profit for the period adjusted to exclude income tax (expense)/benefit, finance income, finance costs, depreciation and amortisation, impairment of non-current assets, net loss on disposal of property, plant and equipment, impairment of work-in progress, stripping cost write-off due to change in assumptions, and other (expenses)/income, net.

Business segment assets and liabilities are not reviewed by the CODM and therefore are not disclosed in these interim condensed consolidated financial statements.

Segment financial performance

The following is an analysis of the Group’s sales, normalised EBITDA and capital expenditures by segment:

	Three months ended 31 March	
	2014	**2013**
Sales		
Neryungri and Aprelkovo	22 729	24 550
Suzdal and Balazhal	439	24 305
Buryatzoloto	32 673	37 744
Berezitovy	35 632	42 381
Taparko	42 751	47 747
Lefa	51 748	55 935
Bissa	88 924	64 154
Total	**274 896**	**296 816**

	Three months ended 31 March	
	2014	**2013 (Restated)**
Normalised EBITDA by segment		
Neryungri and Aprelkovo	7 049	6 736
Suzdal and Balazhal	(3 196)	8 314
Buryatzoloto	8 377	9 710
Berezitovy	16 152	19 415
Taparko	21 956	21 517
Lefa	4 391	(5 129)
Bissa	56 964	43 939
Burkina Faso Greenfields	(107)	(301)
Russian Greenfields	(151)	(4)
Unallocated items and consolidation adjustments	(7 962)	(6 322)
Total	**103 473**	**97 875**

(Amounts in thousands of US dollars, except as otherwise stated)

The reconciliation of normalised EBITDA to (loss)/profit for the period:

	Three months ended 31 March	
	2014	**2013 (Restated)**
Profit for the period	**24 601**	14 644
Income tax expense	3 521	7 573
Finance income	(625)	(431)
Finance costs	29 068	21 426
Depreciation and amortization	46 530	54 198
Impairment/(reversal of impairment) of tangible and intangible assets	614	(56)
Loss on disposal of property, plant and equipment	153	9
Other (income)/expenses	(389)	512
Normalised EBITDA for the period	**103 473**	**97 875**

4. SALES

	Three months ended 31 March	
	2014	**2013**
By product		
Gold	273 233	295 377
Silver	1 663	1 439
Total	**274 896**	**296 816**

	Three months ended 31 March	
	2014	**2013**
By customer		
Switzerland: Metalor Technologies S.A.	132 113	136 205
Switzerland: MKS Finance S.A.	51 748	55 935
Russia: NOMOS bank	39 729	44 908
Russia: VTB	35 632	42 381
Russia: Sberbank	15 674	17 387
Total	**274 896**	**296 816**

5. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 31 March	
	2014	**2013**
Wages and salaries	9 122	6 837
Services	4 750	4 731
Social security costs	1 522	1 140
Depreciation and amortization	488	177
Materials and consumables	221	255
Accounts receivable write off	191	-
Change in bad debt allowance	(65)	94
Other expenses	1 072	2 404
Total	**17 301**	**15 638**

For the three months ended 31 March 2014 key management's remuneration amounted to US$ 5.2 million (three months ended 31 March 2013: US$ 2.9 million) representing short-term employee benefits.

(Amounts in thousands of US dollars, except as otherwise stated)

6. FINANCE INCOME AND COSTS

	Three months ended 31 March	
	2014	**2013**
Finance income		
Interest income	625	431
Total	**625**	**431**
Finance costs		
Interest expenses	(15 451)	(10 487)
Foreign exchange loss	(4 724)	(8 276)
Other	(8 893)	(2 663)
Total	**(29 068)**	**(21 426)**

During the three months ended 31 March 2014 other finance costs include US$ 7.1 million of costs related to the discontinuance of hedge accounting (Note 11) and $US 1.3 million of royalties related to Bissa operations.
During the three months ended 31 March 2013 other finance costs mainly comprised of costs related to High River Gold Mines Ltd. outstanding shares buy-out offering transaction.

7. INCOME TAX

Interim period income tax is accrued based on the estimated average annual effective income tax rate of 12.5% (2013: 34.1%). The following factors affected the decrease of the effective tax rate in 2014:

- Structure changes of profit before income tax, mainly decrease of Lefa share;
- Changes of income tax related contingencies, mainly Taparko (Note 13).

8. EARNINGS PER SHARE

Basic earnings per share for the three months ended 31 March 2014 was based on the income attributable to shareholders of the Company of US$ 19.3 million (three months ended 31 March 2013: US$ 8.9 million) and a weighted average number of outstanding ordinary shares of 378.1 million (31 March 2013: 378.1 million), calculated as per below (in million of shares):

	Issued shares (in million of shares)	Weighted average number of shares (in million of shares)
1 January 2013	**378.053**	**378.053**
Shares issued in March 2013	0.069	0.015
31 March 2013		**378.068**
1 January 2014	**378.122**	**378.122**
31 March 2014		**378.122**

As a result of voluntary accounting policy change with respect to the current production stripping costs. (Note 2) the income attributable to shareholders of the Company for the three months ended 31 March 2013 was decreased by US$ 8.4 million leading to the decrease of earnings per share from US$ 0.05 to US$ 0.02.

(Amounts in thousands of US dollars, except as otherwise stated)

9. RELATED PARTY TRANSACTIONS AND BALANCES

Transactions with entities under common control were the following:

	Three months ended 31 March	
	2014	**2013**
Operating expenses	(1 099)	(5 205)

There were no transactions or balances with the joint venture Prognoz Serebro LLC or with the Parent Company during the three months ended 31 March 2014 and three months ended 31 March 2013.

As at 31 March 2014, balances with entities under common control included accounts payable in the amount US$ 4.7 million (31 December 2013: US$ 5.3 million).

All outstanding balances with related parties are to be settled in cash.

10. PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2014, the Group acquired items of property, plant and equipment with a cost of US$ 20 461 thousand (three months ended 31 March 2013: US$ 43 745 thousand).

11. BORROWINGS

Short-term borrowings include the following:

	31 March 2014	**31 December 2013**
Bank and other credit organizations financing	-	301 015
Accrued interest	13 216	5 602
Derivative financial instruments	-	20 749
Unamortized balance of transaction costs	-	(688)
Total	**13 216**	**326 678**

As at 31 March 2014 short-term borrowings were represented mostly by accrued interest related to the notes issued in amount of $US 12.7 million (31 December 2013: US$: 4.8 million).

As at 31 December 2013, bank loans were represented by the current portion of loan facilities from Sberbank received in 2012 (see below).

As at 31 December 2013, derivative financial instruments were represented by the cross-currency swaps held by the Group for hedging of currency and interest rate risks attributable to the Sberbank loan facilities received in 2012. The cross-currency swaps were disposed during the three months ended 31 March 2014 due to re-financing of the Sberbank loan facilities received in 2012.

Long-term borrowings include the following:

	31 March 2014	**31 December 2013**
Notes and bonds issued	500 000	500 000
Bank and other credit organizations financing	500 000	132 591
Derivative financial instruments	-	13 954
Unamortized balance of transaction costs	(12 890)	(5 266)
Total	**987 110**	**641 279**

In May 2013, the Company issued US$ 500 million unsecured notes. The notes are denominated in US Dollars, mature in May 2018, and bear interest of 6.375% per annum payable semi-annually in May and November, commencing November 2013. The notes are unconditionally and irrevocably guaranteed by certain Group's subsidiaries.

In March 2014, the Company received a US$ 500 million non-revolving loan facility from Sberbank denominated in US dollars maturing in March 2019. The loan bears interest at a variable rate of 3-month LIBOR + 2.95% per annum payable on a quarterly basis. The loan facility was used for re-financing of Sberbank loan facilities received in 2012.

As at 31 March 2014, loan facility from Sberbank was secured by the following shares in the Group's subsidiaries:

- 75% of the Group's ownership in Bissa Gold S.A., securing not more than US$ 10 million of the liability;
- 75% of the Group's ownership in Societe des Mines de Taparko, securing not more than US$ 10 million of the liability;
- 75% of the Group's ownership in LLC Berezitovy Rudnik;
- 75% of the Group's ownership in OJSC Buryatzoloto;
- 100% of the Group's ownership in High River Gold Mines (West Africa) Ltd.;
- 100% of the Group's ownership in Jilbey Burkina SARL, securing not more than US$ 10 million of the liability.

The carrying value of the pledged entities' net assets amounted to US$ 835 million.

The fair value of debt instruments approximated their carrying value at 31 March 2014, except for the fair value of notes which had a market value of US$ 467.8 million.

12. LONG-TERM FINANCIAL INVESTMENTS

As at 31 March 2014 the Group's long-term financial investments include the following:

- 2.6% equity interest in Detour Gold Corporation, valued at US$ 26.7 million (31 December 2013: 2.6% valued at US$ 11.9 million) held by the Group's Canadian subsidiary;
- US$ 4.7 million of advances given to Columbus Gold Corporation and recognized as long term financial investment;
- Other individually immaterial investments of US$ 2.0 million (31 December 2013: US$ 4.6 million) represented by a number of holdings in gold exploration and mining companies.

13. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 31 March 2014, the Group had contractual capital commitments of US$ 10.9 million (31 December 2013: US$ 18.3 million).

Tax contingencies

The taxation system and regulatory environment of the Russian Federation, Kazakhstan, Burkina Faso and Guinea are relatively new and characterised by frequently changing legislation, which is often unclear, contradictory and subject to varying interpretations between the differing regulatory authorities and jurisdictions. Events during recent years suggest that the regulatory authorities within these countries are adopting a more assertive stance regarding the interpretation and enforcement of legislation. This situation creates substantial tax and regulatory risks.

Russian Federation

At 31 March 2014, management assessed the total amount of potential claims from Russian tax authorities in respect of mineral extraction tax at US$ 10.4 million, of which US$ 5.6 million related to Buryatzoloto, and US$ 4.8 million to Rudnik Aprelkovo.

Kazakhstan

Management considers that the Group's subsidiary in Kazakhstan may be subject to additional corporate taxes of US$ 4.6 million. As at 31 March 2014, the Group created a provision of US$ 3.1 million where management considers it probable that additional tax will be payable.

The ecological and tax legislation of Kazakhstan is not explicitly clear regarding the treatment of certain ecological tax rules. In December 2012, JSC FIC Alel went through a compliance review with the authorities and no violations of ecological legislation were found. As at 31 March 2014, JSC FIC Alel was subject to a tax audit. The Group's management believes that Alel is fully compliant with ecological legislation and related ecological tax rules and estimates the unfavourable outcome of the review as being remote.

Burkina-Faso

The VAT exemption rules in Burkina Faso are complicated and not always clear. In case of non-compliance with the documentation requirements in relation to input VAT, tax authorities may challenge the Group's right to a VAT exemption related to certain transactions. The exposure as at 31 March 2014 was assessed by management at US$ 1.9 million.

In February 2013, Societe Des Mines de Taparko ("Taparko") received a notification from the Burkina Faso tax authorities on results of a tax audit claiming additional taxes and penalties of US$ 6.1 million, of which US$ 1.7 million was paid in 2013 and the remaining amount of US$ 4.4 million was accrued as at 31 December 2013. During the three months ended 31 March 2014 Taparko managed to reduce remaining claims by US$ 3.2 million due to results of negotiations with tax authorities, the remaining amount of US$ 1.2 million was accrued as at 31 March 2014.

Guinea

The total amount of tax risks of Société Minière de Dinguiraye ("SMD") located in Guinea is estimated at US$ 14.6 million, of which US$ 6.2 million was accrued in these condensed consolidated financial statements.

In September 2011, the Republic of Guinea issued a new mining code which is intended to repeal and replace the existing mining code.

The government has begun applying the provisions of the new code and has indicated that re-negotiation of existing mining concessions and increased economic interest in existing mining companies may be appropriate. The new code entitles the Republic of Guinea to a free 15% interest in the share capital of a company to which it has granted title and the right to acquire an additional 20% in the share capital of the mining company on terms to be negotiated with each company. The new code also includes a new fiscal and customs regime applicable to mining activities and provides for the renegotiation of existing mining concessions.

Given the uncertainty as to the application and interpretation of the new mining code, its impact on to the Group's ownership of Société Minière de Dinguiraye (SMD), which holds the LEFA mining concession, to the mining concession itself and to the Group's activities in Guinea and the introduction of the new fiscal and customs regime, there can be no assurance that the actions of the Government of Guinea, or the impact of the new legislation, will not have a significant negative impact on the Group's ownership interest in SMD, or result in an increase in taxation or the costs of doing business in Guinea, any of which could have a material adverse effect on the Group's business, results of operations and financial condition.

Other jurisdictions

Guinor, a subsidiary of the Group, which is a Canadian tax resident, is exposed to tax risks up to US$ 15.4 million. Management assesses the probability of unfavourable outcome of this risk as medium.

Litigation

In 2013, Taparko received a number of claims from its former employees. Management fully provided for these claims in the amount of US$ 1.7 million.