Financial and Operating Results

Q2 2013 and H1 2013

Nord Gold N.V. reports financial and operating results for the second quarter and six months ended June 30, 2013

Amsterdam, Netherlands, August 30, 2013

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 second quarter and six months ended June 30, 2013.

Highlights	Q2 2013	Q2 2012	Change, YoY	Q1 2013	Change, QoQ	H1 2013	H1 2012	Change, YoY
LTIFR	1.87	1.03	82%	1.15	63%	1.42	1.38	3%
Gold production, Koz	232.6	165.3	41%	183.6	27%	416.3	321.0	30%
Average realised gold price per ounce sold, US$/oz	1,379	1,602	(14%)	1,615	(15%)	1,483	1,645	(10%)
Revenue, US$m	320.3	264.7	21%	296.8	8%	617.1	528.5	17%
EBITDA, US$m (1)	106.2	104.3	2%	106.5	0%	212.8	218.7	(3%)
TCC, US$/oz (2)	846	863	(2%)	911	(7%)	875	832	5%

(1) Normalised EBITDA as defined in the section for Non-IFRS financial measures

(2) Total cash cost as defined in the section for Non-IFRS financial measures

Financial Highlights

- Revenues for Q2 2013 increased by 21% from Q2 2012 to US$320.3 million. This represents an 8% increase from Q1 2013 (US$296.8 million). Revenues in H1 2013 increased by 17% from H1 2012 to US$617.1 million. The increase was mainly due to higher production volumes and gold sales, but was partially offset by lower realised gold prices (down 10%).
- 2013 Capital expenditure ("Capex") budget has been reduced to approximately US$260 million from US$300 million. The capex programme for 2013 is on budget and on schedule with US$129.7 million (including US$39.9 million for exploration) spent in H1 2013.
- Cash and cash equivalents as at June 30, 2013 were US$228.3 million with net debt at US$802 million, compared to US$45.0 million cash and cash equivalents as at December 31, 2012, and net debt of US$680.5 million. The proceeds from debt finance (US$579.6 million) in H1 2013 were partly offset by the outflow for loan repayments (US$283.6 million), dividends (US$44 million) and the High River Gold Mines Ltd ("High River Gold") minority buyout (US$33 million). Nordgold generated US$103.5 million of cash flow from operating activities (after interest and income tax paid). Cash used for the purchase of property, plant and equipment including additions to exploration and evaluation assets amounted US$133.7 million.

- Total cash costs ("TCC") for Q2 2013 were down 7% from Q1 2013 at US$846 per ounce (Q1 2013: US$911/oz). The decrease was mainly due to a significant increase in gold production with lower costs from our new mine Bissa, and also due to the first positive effects of our cost cutting programme. For H1 2013 TCC were US$875 per ounce, up from US$832 per ounce for H1 2012. We continue to implement cost optimisation programmes at all of our assets.
- EBITDA for H1 2013 was US$212.8 million, a 3% decrease on H1 2012 (US$218.7 million). EBITDA for Q2 2013 was flat on Q1 2013 and up 2% on Q2 2012. Despite lower gold prices in the reporting period, the Company managed to insulate EBITDA from a larger decrease mainly due to higher production and strict cost control. EBITDA margin for H1 2013 was 34.5%.
- Net loss for H1 2013 was US$174.9 million compared to net income of US$65.3 million in H1 2012. In accordance with the Company's accounting policies we reviewed the carrying value of tangible and intangible assets including goodwill, exploration and evaluation assets, inventories and other operating assets accounted on the Company's balance sheet. Consideration was given to a range of indicators including a decline in gold price and reduction in market capitalisation. This resulted in one-off non-cash write-offs of mineral rights, exploration assets and ore stockpiles of approximately US$217.9 million(3) relating to the impairment of tangible and intangible assets. The amount consists of a US$120.6 million(3) decrease in mineral rights relating to Lefa in Guinea, a US$44.7 million(3) decrease in mineral rights and PPE relating to Suzdal and Balazhal in Kazakhstan, a US$52.5 million(3) decrease in mineral rights and PPE relating to Aprelkovo in Transbaikal region of Russia. The Company also recognised US$18 million(3) of inventories write-off at Lefa, Taparko, Aprelkovo, Berezitovy, Suzdal, including Zherek and Balazhal. However, note that the Company's mineral reserves continue to be estimated at a conservative price of US$1,250 per ounce.
- The Board of Directors of Nordgold approved an interim dividend of 4.05 US cents per share or per Global Depositary Receipt for the six months ended June 30, 2013.

(3) On a post taxation basis. For a pre-taxation basis, please see financial statements

Outlook and Growth Drivers

Nordgold is maintaining its 2013 full year production guidance of 770 to 850 koz. We expect production growth to be driven by a combination of factors including:

- An increasing contribution during the year from the new Bissa mine, which has already exceeded the initial full year production guidance for 2013 of up to 100 koz.
- We expect to pour first gold from trial treatment of ore at Gross in the last quarter of 2013 and to produce up to 15 koz of gold this year.
- We expect to drive additional growth from our existing asset base, including benefits from the considerable investment made at Lefa, which had suffered from a lack of investment prior to Nordgold's ownership of the asset.
- Management is focused on achieving increased efficiency at all its mine sites to reduce total cash costs and has reduced its 2013 capex budget by US$40 million.

Message from the CEO

"Given the challenges we have seen in the sector over the past few months, this is a resilient set of results and I am pleased with the progress we have made over the period on our strategy. Notably we have seen a significant improvement in our production performance in particular at Bissa, which is already running at full capacity, with first half production exceeding our initial full year production guidance for 2013. Increased production has translated into a strong rise in revenue even against a headwind of the lower gold price.

We continue to remain vigilant on costs by reducing our 2013 capex budget by US$40 million, though importantly we are still able to invest in our global operations. Although TCC is higher than we would like, we saw good progress in Q2 over Q1 2013, and I am confident the measures we have put in place to improve efficiency at our mines will have an impact in the second half and we can maintain the lower cost level we achieved in the second quarter.

We will continue to implement our strategy in the second half. We will focus on driving performance at our existing assets, maximising the potential of Bissa and developing our Gross project, while remaining vigilant on costs."

Nikolai Zelenski, Chief Executive Officer, Nordgold

Safety

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

We were disappointed that lost time injury frequency rates (LTIFR) for Q2 2013 rose by 82% to 1.87 compared with Q2 2012 (1.03) and by 63% compared with Q1 2013 (1.15).

However, we are pleased to report six out of nine of our operations worked according to the highest industry standards, with no LTI incidents recorded at Bissa, Lefa, Taparko, Berezitovy, Aprelkovo and Suzdal during Q2 2013. We recognise that we operate in a hazardous environment, but remain dedicated to our goal of ensuring every one of our employees returns home safely at the end of each shift.

We deeply regret the previously reported fatality at our Neryungri mine, and our thoughts are with the bereaved. Finally, it is with deep regret that we confirmed in late July, after the period we are reporting on today, there was an employee fatality at our Suzdal underground mine. A full investigation has taken place to ensure we learn from the incident. The incidents highlight 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	Q2 2013	Q2 2012	Change, YoY	Q1 2013	Change, QoQ	H1 2013	H1 2012	Change, YoY
Bissa	0.00	-	n.a.	0.00	0%	0.00	-	n.a.
Lefa	0.00	0.91	n.a	0.00	0%	0.00	0.90	n.a.
Taparko	0.00	0.00	0%	0.00	0%	0.00	0.00	0%
Buryatzoloto	5.36	2.11	154%	3.14	71%	4.01	3.20	25%
Berezitovy	0.00	1.80	n.a.	0.00	0%	0.00	1.86	n.a.
Suzdal	0.00	0.00	0%	3.90	n.a.	1.98	0.00	n.a.
Neryungri	2.80	0.00	n.a.	0.00	0%	1.08	0.00	n.a.
Aprelkovo	0.00	0.00	0%	0.00	0%	0.00	0.00	0%
Nordgold	**1.87**	**1.03**	**82%**	**1.15**	**63%**	**1.42**	**1.38**	**3%**

Development Highlights

Gross

- Project remains on track and on budget with trial treatment of ore expected at the end of 2013.
- Nordgold was awarded a gold and silver mining license for the Gross project in Q2 2013.
- Nordgold is currently conducting a full feasibility study of the project parameters with the aim of maximising future returns on investment. The updated parameters will be presented to the Board by the end of 2013.
- 2013 capital expenditure at Gross is estimated to be in the range of US$40-50 million compared to our previous estimate of US$70 million. The management team has successfully rescheduled infrastructure works spending in a way that will have minimal effect on the overall project. The remaining capex (after the 2013 estimate of US$40-50 million) for the project is expected to be around US$300 million.
- Gross is an all-season open-pit heap leach operation. Full production run rate is expected to be reached in 2016. At full production, Gross expected to mine approximately 12 million tonnes of ore and to produce over 170 koz of gold per year, subject to the feasibility study.

Capital Expenditure

The capex programme for H1 2013 was US$129.7 million, including US$39.9 million for exploration, a 42% and 39% decrease from H1 2012 respectively.

Capex by mine for H1 2013, US$000

Mines	Maintenance	Expansion and development	Exploration	New projects
Bissa	2,667	-	1,137	18,357
Lefa	9,053	908	3,863	
Taparko	1,556	13,229	1,889	
Buryatzoloto	8,363	562	5,885	
Berezitovy	3,299	441	344	
Suzdal	4,049	2,821	428	
Neryungri	1,112	275	4,393	
Aprelkovo	550	159	581	
Gross	-	-	5,571	21,832
Others	626	-	15,761	
Nordgold	**31,275**	**18,395**	**39,852**	**40,189**

Exploration Update

Exploration expenses for H1 2013 decreased 39% year-on-year, to US$39.9 million.

Gross is Nordgold's main development asset. The Company is currently conducting a full feasibility study of the project parameters with the aim of maximising future returns on investment. The updated parameters will be presented to the Board by the end of 2013.

At the end of 2013 the Board will also review four advanced exploration projects, which have been confirmed as potential candidates to become commercial operating mines given the strong progress that they have shown to date: in Russia (Prognoz and Uryakh) and Burkina Faso (Bouly, Wayin).

Cash flow optimisation

A combination of our flexible capex, reduction of general and administrative expenses, improving operational efficiency, as well as the on-going implementation of Business System of Nordgold are key to ensuring we remain focused on driving down Company costs.

Capex Reduction

In light of the recent challenging market environment, the Company's 2013 capex budget was reduced to approximately US$260 million from US$300 million mostly due to lower spending on exploration and also lower spending at the Gross project (Nordgold's principal development asset). We will continue to monitor the gold price carefully and respond as appropriate.

General and Administrative Expenses

We remain vigilant on costs and determined to ensure the business is being run as efficiently as possible, while ensuring we retain the ability to invest both in our people and processes. General and administrative expenses (G&A) for H1 2013 were US$32 million. During H2 2013 the Company will continue to implement a number of initiatives to further reduce G&A, including reviewing third party supplier contracts, reducing general staff travel budgets and IT savings. We expect these and other cost saving measures to lead to a 24% reduction of G&A in H2 2013 compared to H2 2012.

Business System of Nordgold

One of management's key priorities for 2013 is the continued implementation of Business System of Nordgold (BSN). BSN will 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. We continue to commit significant resources to this programme.

The first stage of BSN implementation began in the middle of 2012 and is being implemented at four of Nordgold's mine sites – Taparko, Irokinda, Berezitovy and Suzdal. The effect of BSN in FY2012 can be estimated by more than US$17 million in operational efficiencies. The objective of BSN is to ensure every mine site is operating as efficiently and safely as possible. Best practice is shared between our mine sites, to ensure every part of the mining operation and mill circuit is as effective as it can be. Examples include implementation of hot shift changes for mining equipment, reducing cash spend on equipment rent and improving recovery rates in the mill circuit.

Key initiatives implemented from the beginning of adaption of BSN

Taparko	Lefa	Berezitovy	Suzdal	Buryatzoloto	Neryungri	Aprelkovo
Hot shifts implementation Drilling speed increase Drilling bits lifetime increase	Recovery increase because of optimised reagents mix Elimination of rent payments for equipment Reduction of spend on 3rd parties Decrease of spend on fuel	Increase of drilling grid on waste Sorption time increase Partial insourcing of R&M activities for transportation equipment Tires utilisation increase	Proudfoot project for recovery increase In-house repairing of drilling bits Elimination of usage of Zherek equipment for transportation	Outsourcing of transportation of warehouse Kultuk Cyanide BOU – 10 disposal Underground development works	Transition to the Melanesian coal Use of smooth ammonium nitrate instead of the porous	Drilling bits lifetime increase Reduction of transportation distances

BSN continues its efficiency improvement programmes in 2013. We are reviewing our business processes with the aim of reducing total cash costs, to achieve a significant increase in the productivity of our equipment and also to increase utilisation and availability of mining equipment at all open pits and improve the level of operational management at the processing plants. We expect the final effect of BSN in FY2013 to be more than US$80 million.

Expected 2013 cost reduction against base line on a mine-by-mine basis, US$m

Mines	Total
Bissa	1.2
Lefa	29.3
Taparko	6.8
Buryatzoloto	8.2
Berezitovy	16.4
Suzdal	10.2
Neryungri	6.8
Aprelkovo	4.5
Nordgold	**83.4**

Financial and Operating Results

Q2 2013 and H1 2013

Financial Results Summary

Financial Results, US$000	Q2 2013	Q2 2012	Change, YoY	Q1 2013	Change, QoQ	H1 2013	H1 2012	Change, YoY
Revenue	320,307	264,664	21%	296,816	8%	617,123	528,539	17%
EBITDA (4) (5)	106,239	104,345	2%	106,513	0%	212,752	218,680	(3%)
EBITDA margin, %(5)	33.2	39.4	(6.3pp)	35.9	(2.7pp)	34.5	41.4	(6.9pp)
Net income/(loss)	(197,927)	5,558	n.a.	23,012	n.a.	(174,915)	65,252	n.a.
Cash flows from operating activity	63,497	21,596	194%	40,022	59%	103,519	2,379	4,251%
Capital expenditures	65,244	127,826	(49%)	64,467	1%	129,711	224,332	(42%)
incl. Exploration	25,744	35,585	(28%)	14,108	82%	39,852	65,209	(39%)
Free cash flow (5)	(1,747)	(98,532)	n.a.	(29,372)	n.a.	(26,191)	(212,707)	n.a.
Cash and cash equivalents	228,323	50,524	352%	65,908	246%	228,323	50,524	352%
Total debt	1,030,161	430,939	139%	806,811	28%	1,030,161	430,939	139%
Net debt(5)	801,838	380,415	111%	740,903	8%	801,838	380,415	111%
TCC (5)	194,114	141,806	37%	166,394	17%	360,508	265,244	36%
TCC, US$/oz (5)	846	863	(2%)	911	(7%)	875	832	5%

(4) Normalized EBITDA

(5) See "Non-IFRS Measures"

Revenue

In Q2 2013 gold sales grew significantly (41% QoQ) to 232.2 koz, but was offset a fall in the realised gold price of 15% QoQ to US$1,379/oz (3% below LBMA average gold price of US$1,417/oz for Q2 2013) resulting in an 8% increase in revenue to US$320 million.

In the first six months of 2013, revenue was up 17% YoY owing to the same combination of higher volumes and lower prices. Nordgold does not have any gold hedging in place, and we therefore expect our gold realised price to remain close to the market price in H2 2013. We essentially remain a pure play gold producing company, and consider market gold prices as the main risk to our revenue forecast.

The sharp price declines in physical gold observed in H1 2013 are, of course, extremely concerning to us. However, Nordgold's focus on growing production as well as our stringent cost cutting measures mean we are very well positioned even in a worsening market environment.

Total cash costs

The Company's consolidated total cash cost (TCC) was down 7% QoQ to US$846/oz in Q2 2013 owing to the relatively higher impact of Bissa after completion of mine ramp-up, as well as TCC improvements at Suzdal and Buryatzoloto. We continue to implement our Business System of Nordgold and cost cutting initiatives, and expect that these measures will help us to maintain TCC at the Q2 2013 level through to the end of 2013.

TCC by mine for Q2 and H1 2013, US$/oz

Mines	Q2 2013	Q2 2012	Change, YoY	Q1 2013	Change, QoQ	H1 2013	H1 2012	Change, YoY
Bissa	471	-	n.a.	456	3%	466	-	n.a.
Taparko	832	599	39%	777	7%	803	588	37%
Lefa	1,537	1,202	28%	1,511	2%	1,525	1,137	34%
Buryatzoloto	989	724	37%	1,094	(10%)	1,040	740	41%
Berezitovy	854	675	26%	767	11%	814	675	21%
Neryungri	821	843	(3%)	858	(4%)	837	818	2%
Aprelkovo	1,006	865	16%	1,118	(10%)	1,044	867	20%
Suzdal	687	884	(22%)	886	(22%)	776	842	(8%)
Nordgold	846	863	(2%)	911	(7%)	875	832	5%

The cost reduction at Suzdal was largely a result of a 32% QoQ output increase in Q2 2013 from the weak Q1 2013 production performance, which was seriously affected by the severe weather conditions in the region. As a result, TCC at Suzdal fell to US$687/oz in Q2 2013. We launched a new cost optimisation programme at Suzdal and expect recovery to improve (by +1.5 to 2.0%) after new flotation modules are installed. We overall expect H2 2013 TCC at Suzdal to remain essentially flat HoH at US$780-800/oz.

In Q2 2013 Lefa remained the least profitable asset in the Nordgold portfolio, with marginal TCC growth of 2% QoQ (US$1,537/oz). We expect Lefa TCC to decrease in H2 2013 as a result of a turnaround efficiency programme and also higher head grade. In Q2 2013 reported head grade remained almost flat QoQ at 0.95g/t, however, the average head grade in ore processed grew from 0.80-0.87 g/t in March – May to 1.15 g/t in June and to 1.21 g/t in July. We expect sustainable head grade to be at 1.1-1.3 g/t, which will help us to decrease Lefa's TCC closer to the management's target level of US$1,000/oz by the end of 2013.

Unfortunately, several mines demonstrated QoQ TCC growth in Q2 2013. Taparko reported a 7% QoQ TCC increase on the back of the QoQ lower production volumes owing to the planned maintenance shutdown for 10 days in Q2 2013. Operating costs at Taparko have also been affected this year by the high stripping ratio, which will remain relatively high until the end of 2013. Nordgold begins development of the adjacent Bourom area to compensate for the increased stripping ratio and higher sulphide ores currently being mined at Taparko in H2 2013, and expect it to help reduce Taparko's operating costs.

Berezitovy posted 11% QoQ TCC growth to US$854/oz in Q2 2013 largely due to lower grade – 2.11g/t in Q2 2013 vs. 2.3g/t in Q1 2013. This reduction in head grade is explained by the reserves grade at Berezitovy of 1.87 g/t.

General and administrative expenses amounted to US$16.6 million in Q2 2013 vs. US$15.6 million in Q1 2013. As explained above, we are continuing to review our G&A costs to increase profitability. Nordgold's administrative cost was US$84/oz in Q1 2013, lower than our gold producer peers, and we hope to retain this competitive advantage in the future.

Impairment

Given the recent fall in market gold prices, we reviewed the carrying value of our mining assets using a more conservative long-term gold price forecast of US$1,345/oz. We also wrote down the value of inventories (including stockpiles and heap leaches) at certain operating assets to the net realisable values following the market price correction. As a result, the Company recognised one-off non-cash impairment losses of US$236 million(6), which has negatively affected our operating and net profit.

The impairment costs comprise of two main items: the first is a US$217.9 million(6) impairment of tangible and intangible assets, including PP&E, exploration and evaluation assets and mineral rights, with Lefa accounting for more than 50% of the total tangible and intangible assets impairment; the second is the inventory write-offs of US$18 million(6). Inventory write-offs are included in the cost of sales in the statement of profit or loss, while impairment for tangible and intangible assets is included as part of other operating expenses.

Impairment and write-offs for H1 2013, by mine (6)

Mines	Impairment for tangible and intangible assets, US$ mln	Inventory write-off, US$ mln
Lefa	120.6	4.1
Taparko	-	9.5
Berezitovy	-	0.2
Suzdal	44.7	1.4
Aprelkovo	52.5	2.9
Total	**217.9**	**18.1**

(6) On a post taxation basis. For a pre-taxation basis, please see financial statements

Other

Net finance costs in Q2 2013 decreased to US$9.8 million from US$21.1 million in Q1 2013. In contrast to Q1 2013, when our net finance costs were negatively affected by a foreign exchange loss of US$8.3 million, Q2 2013 net finance costs included a foreign exchange gain of US$7.5 million. Interest expense increased to US$16.8 million in Q2 2013 (vs. US$10.5 million in Q1 2013) after Nordgold placed the US$500 million 6.375% Guaranteed Notes due 2018 (the "Notes") on May 7, 2013.

The proceeds from the Eurobond issue were partially used for re-financing of the six month US$280 million Bridge Loan, which was used to finance the acquisition of all the outstanding shares of High River Gold not already owned by Nordgold. We estimate that our average interest rate of the total debt outstanding increased to approximately 6% after the Eurobond issue from 5.8% prior, and we are constantly keeping under review various opportunities to optimise our capital structure.

Taxation

Taxes other than income taxes for Q2 2013 amounted to US$19.4 million, which represents a slight increase QoQ (Q1 2013: US$17.8 million).

We reported income tax benefit of US$78.1 million in Q2 2013 compared to income tax expense of US$10.5 million in Q1 2013 as result of recognised impairment which increased deferred taxes. We expect that our average effective tax rate will be lower in 2013 owing to the effect of Bissa, which operates in a jurisdiction with a tax rate of 17.5%.

Cash flow

We continue to pay special attention to our liquidity position and continue to optimise cash flow in order to maximise shareholder value.

We are pleased to report that Nordgold's cash flows from operating activities for Q2 2013 were US$63.5 million, materially higher than the US$40.0 million reported in Q1 2013, and was achieved in spite of the QoQ decline of gold prices. In the first six months of 2013 Nordgold generated US$103.5 million cash flow from operating activities. The recently launched Bissa mine project was the main cash-generating unit, while Lefa and Neryungri posted negative operating cash flow for H1 2013. We continue to implement cost optimisation programme at all of our assets.

Cash flows used in investing activities for Q2 2013 amounted to an outflow of US$65.6 million, which is in-line with the Q1 2013 result (Q1 2013: outflow of US$69.4 million). We reiterate our 2013 annual capital expenditures guidance at approximately US$260 million (including circa US$85 million on maintenance, US$95 million on expansion and development, US$80 million on exploration), which means that Capex will remain almost flat HoH.

Cash flows from financing activities increased significantly QoQ to US$168.1 million in Q2 2013 compared to US$51.8 million reported in Q1 2013. The increase was due to US$500 million of proceeds from the Eurobonds issued in May, which were partially used for the debt repayment (US$283.6 million) in Q2 2013, as well as dividend payments and the remaining payment to the minority shareholders of High River Gold.

Net debt

Nordgold's total debt reached US$1,030.2 million as of June 30, 2013, higher than the figure reported at the end of Q1 2013 (total debt of US$806.8 million) after the Eurobonds placement in May. Our net debt position was US$801.8 million on June 30, 2013, and therefore Net debt/EBITDA totalled 1.6 at the end of Q2 2013, which is significantly below our covenant level of 3.0 Net debt/LTM EBITDA. Nordgold continues to proactively manage its debt profile to ensure that the portion of short-term borrowings is not more than 25% of total debt (less that 20% as at the end of Q2 2013) and that financial ratios remain in line with the set covenants level.

Dividends

The Board of Directors of Nordgold approved an interim dividend of 4.05 US cents per share or per Global Depositary Receipt for the six months ended June 30, 2013, bringing the total pay-out to US$15.3 million.

The ex-dividend date is set on September 19, 2013 and the dividend record date is September 23, 2013, with payment on October 2, 2013.

We remain focused on delivering a dividend to our shareholders. According to our dividend policy, we intend to distribute as dividends approximately 25% of the Company's net earnings for the six months ended June 30, 2013. Dividends are based on the estimation of the pro-forma underlying profit (adjusted for one-off non-cash impairment).

Production Overview

- Nordgold achieved double digit growth in gold production in Q2 2013 over Q1 2013 at Bissa, Buryatzoloto, Berezitovy, Suzdal, Neryungri and Aprelkovo, as well as a 6% increase at Lefa. Production at Taparko fell over the same period.
- Operations at Bissa commenced on January 17, 2013. Bissa has beaten expectations, with production of 112.5 koz in H1 2013, already exceeding the initial full year production guidance for 2013 of up to 100 koz.
- After an extended period of cutback stripping, in June Lefa had reached higher grade ore blocks at several pits. As a result, the average head grade in June has reached 1.15 g/t, which is well above head grade seen in the first five months of the year and close to our target level. We expect head grade of above 1.0 g/t to be sustained in the second half of the year and going forward. Our H2 2013 goals include production of 15 koz per month stable output to turnaround Lefa, including achieving a plant availability rate of above 90% from 84% in 2012 and operating with TCC of US$1,000/oz.
- Production at Taparko fell 12% quarter-on-quarter mainly due to 10 days of planned maintenance shutdown. The mine has undergone considerable effort to improve mining, milling and recovery, and is now showing steady progress across all our main operating KPIs on a daily and monthly basis. Recoveries at Taparko have exceeded 80% in Q2 which is, however, still below our target, and mine management continues to optimise blending and metallurgical parameters which should lead to recovery improvement in H2 2013. We also intend to continue exploration at Taparko mine lease as well as at adjacent tenements and begin the development of the Bourom area to compensate for the increased stripping ratio and more sulphide ore currently mined at Taparko.
- Buryatzoloto has seen grade improvement for a second consecutive quarter, with 10% growth in production quarter-on-quarter. We continue to invest in tunneling and development of new blocks which should lead to further grade improvement at both Irokinda and Zun-Holba mines. Buryatzoloto is also improving root-control practices for better safety and lower dilution, continuing with its labor productivity improvement programme, as well as with its drilling programme aimed to identify high-grade resources.
- Berezitovy increased gold production in Q2 2013 by 20% from Q2 2012 and by 17% from Q1 2013, to 30.6 koz primarily due to higher plant productivity.
- Production at Neryungri in Q2 2013 rose 18% compared to Q2 2012 and 24% vs. Q1 2013. The mine is executing a drilling programme this year to convert inferred resources into reserves and improve the efficiency of the dump truck fleet. Neryungri is developing the infrastructure required for the Gross project, which is located 4 km from Neryungri. The mine will also run the pilot plant for the Gross project to test ore treatment.
- Aprelkovo mine increased gold production by 29% in Q2 2013 from Q2 2012 and by 93% from Q1 2013. The renewed long term future of the mine is likely to be defined in Q4 2013 when we will have conclusive results from the PFS on the new CIL plant construction at the site. In 2013 Aprelkovo also launched a new programme to increase labor productivity and will also explore for and estimate reserves in the nearby Nerchinsk area.
- In Q2 2013, the Suzdal mine maintained a high recovery level of 69%. After the severe winter conditions in Kazakhstan which affected January production volumes, Suzdal has now returned to its design milling capacities, leading to a 32% increase in gold production quarter-on-quarter. This year Suzdal targets the installation of new flotation modules to improve recovery, launch of an in-fill drilling programme to convert resources to reserves, launch of a new cost optimisation programme and development of a test hot-leaching project to process CIL tailings.

Financial and Operating Results

Q2 2013 and H1 2013

Refined Gold Production by Mine [7]

Operating results	Q2 2013 (koz)	Q2 2012 (koz)	Change, YoY	Q1 2013 (koz)	Change, QoQ	H1 2013 (koz)	H1 2012 (koz)	Change, YoY
Bissa	72.2	n.a.	n.a.	40.4	79%	112.5	n.a.	n.a.
Lefa	36.6	43.6	(16%)	34.4	6%	71.0	83.4	(15%)
Taparko	25.8	29.3	(12%)	29.4	(12%)	55.1	61.8	(11%)
Buryatzoloto	25.7	30.2	(15%)	23.3	10%	48.9	61.9	(21%)
Berezitovy	30.6	25.5	20%	26.1	17%	56.8	45.8	24%
Suzdal [8]	20.0	18.7	7%	15.1	32%	35.0	37.8	(7%)
Neryungri	13.3	11.3	18%	10.7	24%	23.9	19.9	20%
Aprelkovo	8.5	6.6	29%	4.4	93%	12.9	10.4	24%
Nordgold	**232.6**	**165.3**	**41%**	**183.6**	**27%**	**416.3**	**321.0**	**30%**

(7) Including 1.815 and 2.716 thousand gold equivalent ounces of silver production for Q1 2013 and H1 2013 respectively

(8) Including refined gold from Zherek

Operating Results Summary

Operating results	Q2 2013	Q2 2012	Change, YoY	Q1 2013	Change, QoQ	H1 2013	H1 2012	Change, YoY
LTIFR	1.87	1.03	82%	1.15	63%	1.42	1.38	3%
Run of mine, kt (9)	30,213	18,901	60%	27,814	9%	58,027	39,121	48%
Waste mined, kt (9)	25,824	14,570	77%	24,351	6%	50,175	31,191	61%
Ore mined, kt	4,389	4,331	1%	3,463	27%	7,853	7,930	(1%)
Stripping ratio, tn/tn (10)	5.88	3.40	73%	7.03	(16%)	6.39	3.90	64%
Ore milled, kt	5,026	3,979	26%	3,446	46%	8,473	6,581	29%
Grade, g/t	1.84	1.83	1%	1.97	(7%)	1.90	1.97	(4%)
Recovery, %	79.3	76.2	3.1pp	82.7	(3.4pp)	81.4	78.7	2.7pp
Gold production, Koz	232.6	165.3	41%	183.6	27%	416.3	321.0	30%
Gold sold, Koz	232.2	165.2	41%	183.8	26%	416.0	321.4	29%
Average realised gold price per ounce sold, US$/oz	1,379	1,602	(14%)	1,615	(15%)	1,483	1,645	(10%)
Revenue, US$m	320.3	264.7	21%	296.8	8%	617.1	528.5	17%

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

(9) Presented only for open pit mines.

(10) Calculated for total ore mined and waste mined only for open pits

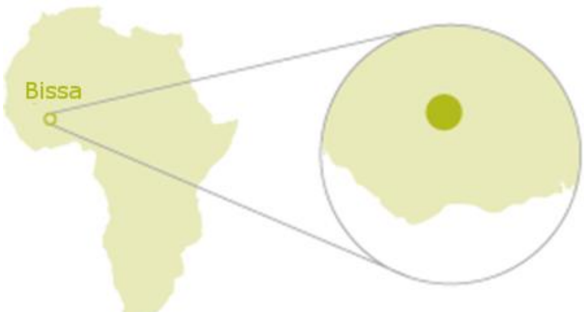
Financial and Operating Results

Q2 2013 and H1 2013

Operating Review Summary *continued*

Burkina Faso

Bissa



Operating results	Q2 2013	Q2 2012	Change, YoY	Q1 2013	Change, QoQ	H1 2013	H1 2012	Change, YoY
LTIFR	0.00	-	n.a.	0.00	0%	0.00	-	n.a.
Run of mine, kt	7,588	-	n.a.	6,578	15%	14,166	-	n.a.
Waste mined, kt	5,942	-	n.a.	5,742	3%	11,683	-	n.a.
Ore mined, kt	1,647	-	n.a.	836	97%	2,483	-	n.a.
Stripping ratio, tn/tn	3.61	-	n.a.	6.87	(47%)	4.71	-	n.a.
Ore milled, kt	853	-	n.a.	747	14%	1,600	-	n.a.
Grade, g/t	2.84	-	n.a.	2.28	25%	2.58	-	n.a.
Recovery, %	89.1	-	n.a.	87.6	1.5pp	88.6	-	n.a.
Gold production, Koz	72.2	-	n.a.	40.4	79%	112.5	-	n.a.
Gold sold, Koz	72.2	-	n.a.	40.4	79%	112.5	-	n.a.
Financial results	**Q2 2013**	**Q2 2012**	**Change, YoY**	**Q1 2013**	**Change, QoQ**	**H1 2013**	**H1 2012**	**Change, YoY**
Revenue, US$/m	101.3	-	n.a.	64.2	58%	165.4	-	n.a.
Average realised gold price per ounce sold, US$/oz	1,403	-	n.a.	1,590	(12%)	1,470	-	n.a.
EBITDA, US$/m (11)	67.6	-	n.a.	43.9	54%	111.6	-	n.a.
EBITDA margin, % (11)	67	-	n.a.	68	(1pp)	67	-	n.a.
TCC, US$/oz (11)	471	-	n.a.	456	3%	466	-	n.a.

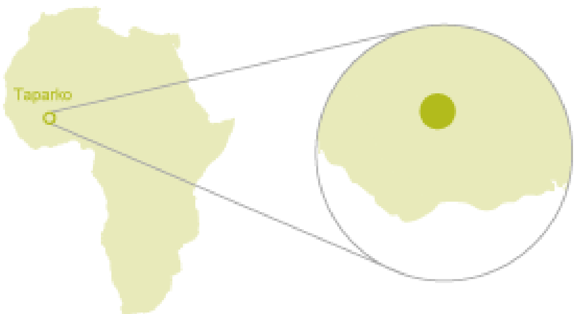
Ore processed multiplied by head grade and multiplied by recovery may not be equal gold produced due to differences in work in progress figures and volumes of silver production.

(11) See "Non-IFRS Measures"

Financial and Operating Results
Q2 2013 and H1 2013

Operating Review

Burkina Faso
Taparko



Operating results	Q2 2013	Q2 2012	Change, YoY	Q1 2013	Change, QoQ	H1 2013	H1 2012	Change, YoY
LTIFR	0.00	0.00	0%	0.00	0.00	0.00	0.00	0%
Run of mine, kt	4,357	2,715	60%	3,848	13%	8,205	5,689	44%
Waste mined, kt	3,878	2,314	68%	3,451	12%	7,329	4,926	49%
Ore mined, kt	480	401	20%	397	21%	876	764	15%
Stripping ratio, tn/tn	8.09	5.80	39%	8.70	(7%)	8.36	6.50	29%
Ore milled, kt	353	361	(2%)	386	(9%)	739	765	(3%)
Grade, g/t	2.80	3.19	(12%)	2.80	0%	2.80	3.11	(10%)
Recovery, %	80.6	79.0	1.6pp	77.3	3.3pp	78.9	81.9	(3.0pp)
Gold production, Koz	25.8	29.3	(12%)	29.4	(12%)	55.1	61.8	(11%)
Gold sold, Koz	25.8	29.3	(12%)	29.4	(12%)	55.2	61.8	(11%)
Financial results	**Q2 2013**	**Q2 2012**	**Change, YoY**	**Q1 2013**	**Change, QoQ**	**H1 2013**	**H1 2012**	**Change, YoY**
Revenue, US$/m	36.1	46.8	(23%)	47.7	(24%)	83.8	101.1	(17%)
Average realised gold price per ounce sold, US$/oz	1,398	1,597	(12%)	1,624	(14%)	1,519	1,636	(7%)
EBITDA, US$/m (11)	12.3	28.1	(56%)	21.5	(43%)	33.8	62.8	(46%)
EBITDA margin, % (11)	34	60	(26pp)	45	(11pp)	40	62	(22pp)
TCC, US$/oz (11)	832	599	39%	777	7%	803	588	37%

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.

(11) See "Non-IFRS Measures"

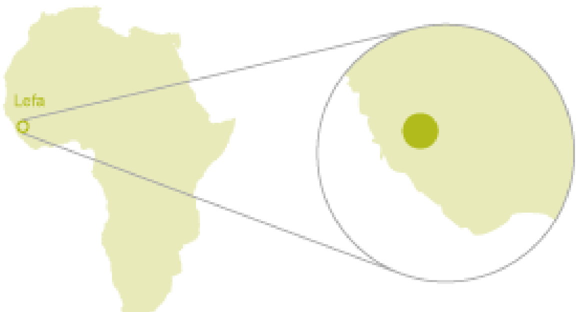
Financial and Operating Results

Q2 2013 and H1 2013

Operating Review

Guinea

Lefa



Operating results	Q2 2013	Q2 2012	Change, YoY	Q1 2013	Change, QoQ	H1 2013	H1 2012	Change, YoY
LTIFR	0.00	0.91	n.a.	0.00	0%	0.00	0.90	n.a.
Run of mine, kt	7,191	6,405	12%	7,621	(6%)	14,811	13,548	9%
Waste mined, kt	6,265	4,576	37%	6,594	(5%)	12,859	9,859	30%
Ore mined, kt	925	1,829	(49%)	1,027	(10%)	1,952	3,690	(47%)
Stripping ratio, tn/tn	6.77	2.50	171%	6.42	5%	6.59	2.70	144%
Ore milled, kt	1,523	1,466	4%	1,407	8%	2,930	2,842	3%
Grade, g/t	0.95	1.13	(16%)	0.93	2%	0.94	1.13	(17%)
Recovery, %	82.7	83.6	(0.9pp)	84.1	(1.3pp)	83.4	83.4	0pp
Gold production, Koz	36.6	43.6	(16%)	34.4	6%	71.0	83.4	(15%)
Gold sold, Koz	36.6	43.6	(16%)	34.4	6%	71.0	83.4	(15%)
Financial results	**Q2 2013**	**Q2 2012**	**Change, YoY**	**Q1 2013**	**Change, QoQ**	**H1 2013**	**H1 2012**	**Change, YoY**
Revenue, US$/m	51.1	70.4	(27%)	55.9	(9%)	107.0	137.8	(22%)
Average realised gold price per ounce sold, US$/oz	1,395	1,616	(14%)	1,626	(14%)	1,507	1,652	(9%)
EBITDA, US$/m (11)	(7.9)	14.8	n.a.	1.2	n.a.	(6.7)	31.5	n.a.
EBITDA margin, % (11)	(15)	21%	n.a.	1.8	n.a.	(6.3)	22.9	n.a.
TCC, US$/oz (11)	1,537	1,202	28%	1,511	2%	1,525	1,137	34%

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.

(11) See “Non-IFRS Measures”

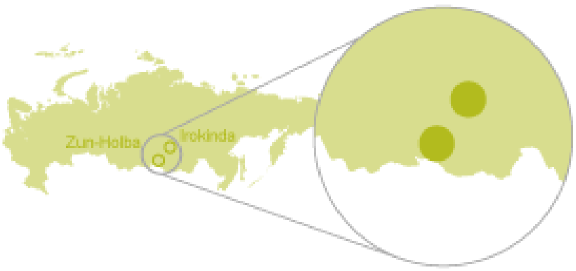
Financial and Operating Results

Q2 2013 and H1 2013

Operating Review Summary *continued*

Russia

Buryatzoloto



Operating results	Q2 2013	Q2 2012	Change, YoY	Q1 2013	Change, QoQ	H1 2013	H1 2012	Change, YoY
LTIFR	5.36	2.11	154%	3.14	71%	4.01	3.20	25%
Ore mined, kt	181	178	2%	168	8%	348	347	0%
Ore milled, kt	168	173	(3%)	163	3%	331	344	(4%)
Grade, g/t	4.82	5.58	(14%)	4.61	5%	4.72	5.71	(17%)
Recovery, %	91.8	92.2	(0.4pp)	94.1	(2.3pp)	91.9	93.0	(1.1pp)
Gold production, Koz	25.7	30.2	(15%)	23.3	10%	48.9	61.9	(21%)
Gold sold, Koz	25.7	30.2	(15%)	23.3	10%	49.0	61.8	(21%)
Financial results	**Q2 2013**	**Q2 2012**	**Change, YoY**	**Q1 2013**	**Change, QoQ**	**H1 2013**	**H1 2012**	**Change, YoY**
Revenue, US$/m	34.9	49.1	(29%)	37.7	(7%)	72.7	101.9	(29%)
Average realised gold price per ounce sold, US$/oz	1,361	1,623	(16%)	1,621	(16%)	1,484	1,648	(10%)
EBITDA, US$/m (11)	6.2	23.7	(74%)	9.7	(36%)	16.0	51.8	(69%)
EBITDA margin, % (11)	18	48	(30pp)	26	(8pp)	22	51	(29pp)
TCC, US$/oz (11)	989	724	37%	1,094	(10%)	1,040	740	41%

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.

(11) See "Non-IFRS Measures"

Operating Review Summary *continued*

Russia

Berezitovy

Operating results	Q2 2013	Q2 2012	Change, YoY	Q1 2013	Change, QoQ	H1 2013	H1 2012	Change, YoY
LTIFR	0.00	1.80	n.a.	0.00	0%	0.00	1.86	n.a.
Run of mine, kt	3,252	4,233	(23%)	3,165	3%	6,417	8,591	(25%)
Waste mined, kt	2,860	3,771	(24%)	2,804	2%	5,663	7,686	(26%)
Ore mined, kt	392	462	(15%)	362	8%	754	904	(17%)
Stripping ratio, tn/tn	7.29	8.20	(11%)	7.80	(7%)	7.51	8.50	(12%)
Ore milled, kt	452	333	36%	380	19%	832	576	45%
Grade, g/t	2.11	2.67	(21%)	2.30	(8%)	2.20	2.73	(19%)
Recovery, %	89.8	90.0	(0.2pp)	90.0	(0.2pp)	89.9	90.3	(0.4pp)
Gold production (12), Koz	30.6	25.5	20%	26.1	17%	56.8	45.8	24%
Gold sold (12), Koz	30.6	25.5	20%	26.1	17%	56.7	45.8	24%
Financial results	**Q2 2013**	**Q2 2012**	**Change, YoY**	**Q1 2013**	**Change, QoQ**	**H1 2013**	**H1 2012**	**Change, YoY**
Revenue, US$/m	41.6	40.5	3%	42.4	(2%)	84.0	74.8	12%
Average realised gold price per ounce sold, US$/oz	1,359	1,588	(14%)	1,622	(16%)	1,480	1,632	(9%)
EBITDA, US$/m (11)	14.3	22.2	(36%)	20.2	(29%)	34.2	41.2	(17%)
EBITDA margin, % (11)	34	55	(21pp)	48	(13pp)	41	55	(14pp)
TCC, US$/oz (11)	854	675	26%	767	11%	814	675	21%

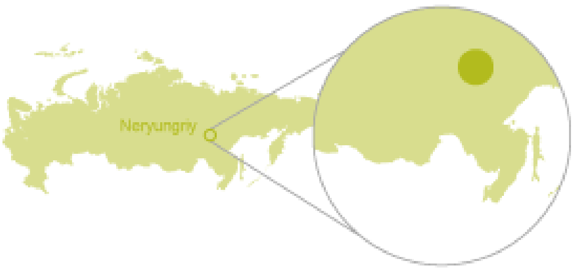
Ore processed multiplied by head grade and multiplied by recovery may not be equal gold produced due to differences in work in progress figures and volumes of silver production.

(11) See “Non-IFRS Measures”

(12) Including gold from heap leach

Operating Review Summary *continued*

Russia
Neryungri



Operating results	Q2 2013	Q2 2012	**Change, YoY**	Q1 2013	**Change, QoQ**	H1 2013	H1 2012	**Change, YoY**
LTIFR	2.80	0.00	n.a.	0.00	0%	1.08	0.00	n.a.
Run of mine, kt	4,616	2,761	67%	3,733	24%	8,349	5,729	46%
Waste mined, kt	4,140	2,228	86%	3,450	20%	7,589	5,014	51%
Ore mined, kt	476	533	(11%)	283	68%	759	715	6%
Stripping ratio, tn/tn	8.69	4.20	107%	12.20	(29%)	9.99	7.0	43%
Ore milled, kt	642	687	(7%)	82.8	675%	725	901	(20%)
Grade, g/t	1.05	0.94	12%	1.10	(5%)	1.06	0.96	10%
Recovery, %[13]	75.0	75.0	-	75.0	-	75.0	75.0	-
Gold production, Koz	13.3	11.3	18%	10.7	24%	23.9	19.9	20%
Gold sold, Koz	13.2	11.2	18%	10.7	23%	23.9	20.3	18%
Financial results	Q2 2013	Q2 2012	**Change, YoY**	Q1 2013	**Change, QoQ**	H1 2013	H1 2012	**Change, YoY**
Revenue, US$m	17.8	17.7	1%	17.4	2%	35.2	33.1	6%
Average realised gold price per ounce sold, US$/oz	1,346	1,574	(14%)	1,620	(17%)	1,469	1,631	(10%)
EBITDA, US$/m [14]	5.2	7.4	(30%)	6.7	(22%)	11.9	15.0	(21%)
EBITDA margin, % [14]	29	42	(13pp)	39	(10pp)	34	45	(12pp)
TCC, US$/oz [14]	821	843	(3%)	858	(4%)	837	818	2%

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.

(13) Technical recovery rate. Actual recovery may differ due to seasonal effects.

(14) See “Non-IFRS Measures”

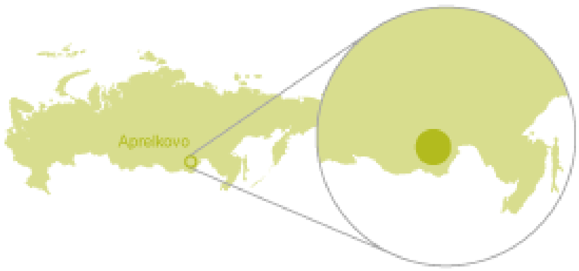
Financial and Operating Results

Q2 2013 and H1 2013

Operating Review
Summary *continued*

Russia

Aprelkovo



Operating results	Q2 2013	Q2 2012	Change, YoY	Q1 2013	Change, QoQ	H1 2013	H1 2012	Change, YoY
LTIFR	0.00	0.00	0%	0.00	0%	0.00	0.00	0%
Run of mine, kt	3,209	1,856	73%	2,870	12%	6,079	4,163	46%
Waste mined, kt	2,740	1,123	144%	2,311	19%	5,051	2,991	69%
Ore mined, kt	469	733	(36%)	559	(16%)	1,028	1,172	(12%)
Stripping ratio, tn/tn	5.84	1.50	289%	4.10	42%	4.91	2.60	89%
Ore milled, kt	672	739	(9%)	189	256%	862	809	7%
Grade, g/t	1.32	1.32	0%	1.26	5%	1.31	1.30	1%
Recovery, %[15]	46.7	47.7	(1pp)	46.7	-	46.7	47.7	(1pp)
Gold production, Koz	8.5	6.6	29%	4.4	93%	12.9	10.4	24%
Gold sold, Koz	8.5	6.6	29%	4.4	93%	12.9	10.4	24%
Financial results	**Q2 2013**	**Q2 2012**	**Change, YoY**	**Q1 2013**	**Change, QoQ**	**H1 2013**	**H1 2012**	**Change, YoY**
Revenue, US$m	11.1	10.4	7%	7.2	54%	18.3	16.9	8%
Average realised gold price per ounce sold, US$/oz	1,308	1,575	(17%)	1,618	(19%)	1,414	1,620	(13%)
EBITDA, US$/m [16]	2.2	3.6	(39%)	2.1	4%	4.3	6.0	(28%)
EBITDA margin, %[16]	20	35	(16pp)	29	(11pp)	23	36	(13pp)
TCC, US$/oz [16]	1,006	865	16%	1,118	(10%)	1,044	867	20%

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.

(15) Technical recovery rate. Actual recovery may differ due to seasonal effects.

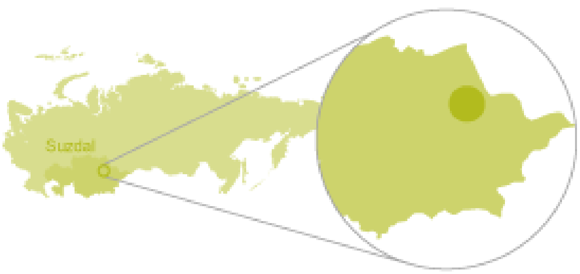
(16) See "Non-IFRS Measures"

Financial and Operating Results
Q2 2013 and H1 2013

Operating Review Summary *continued*

Kazakhstan
Suzdal

*Includes gold from Zherek



Operating results	Q2 2013	Q2 2012	Change, YoY	Q1 2013	Change, QoQ	H1 2013	H1 2012	Change, YoY
LTIFR	0.00	0.00	0%	3.90	n.a.	1.98	0.00	n.a.
Ore mined, kt [17]	125	103	21%	103	21%	227	238	(5%)
Ore milled, kt[17]	126	108	17%	92	37%	218	232	(6%)
Grade, g/t[17]	6.99	7.49	(7%)	8.10	(14%)	7.47	7.40	1%
Recovery, %[17]	69.3	62.5	7pp	69.4	-	69.5	65.1	4pp
Gold production, Koz [18]	20.0	18.7	7%	15.1	32%	35.0	37.8	(7%)
Gold sold, Koz[18]	19.6	18.7	5%	15.1	30%	34.7	37.8	(8%)
Financial results	**Q2 2013**	**Q2 2012**	**Change, YoY**	**Q1 2013**	**Change, QoQ**	**H1 2013**	**H1 2012**	**Change, YoY**
Revenue, US$m[18]	26.5	29.8	(11%)	24.3	9%	50.8	62.9	(19%)
Average realised gold price per ounce sold, US$/oz[18]	1,349	1,593	(15%)	1,612	(16%)	1,463	1,666	(12%)
EBITDA, US$/m [19]	15.5	9.0	72%	8.3	86%	23.8	21.3	12%
EBITDA margin, %[19]	59	30	21pp	34	17pp	43	34	28pp
TCC, US$/oz [19]	687	884	(22%)	886	(22%)	776	842	(8%)

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.

(17) Represents figures for Suzdal

(18) Represents figures for Celtic Group, includes gold from Zherek.

(19) See “Non-IFRS Measures”

Financial and Operating Results

Q2 2013 and H1 2013

Telephone Conference and Q&A Session

Nordgold CEO Nikolay Zelenski and CFO Sergey Zinkovich will present the Company's financial and operating results for the second quarter and the first six months of 2013 in a conference call on September 2, 2013 at 1.30 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 Presentation of Q2 and H1 2013 Financial Results

Conference ID: 352116

To participate in the telephone conference, please dial:

Great Britain

44-20-3367-9453 (Local access)

0808-238-1775 (Toll free)

USA

1-866-907-5924

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 register and participate in the webcast please follow the link:

https://www.anywhereconference.com

Event login: 135283122

Event passcode: 352116

Materials

The Company's financial and operating results for the second quarter and the six months ending June 30, 2013 and associated presentation materials will be available on August 30, 2013 on the Company's official website: www.nordgold.com and will be available under the Company’s profile on www.sedar.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 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, negative goodwill, 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, fair value adjustments for work-in-progress and finished goods, 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.

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, which are divided between debt and lease liabilities, less cash and cash equivalents. Short-term and long-term debt include loans and other credit facilities, accrued interest and bank overdrafts.

Free cash flow

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

Financial and Operating Results

Q2 2013 and H1 2013

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 2012 Nordgold's gold production was 717 Koz.

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 and Guinea. Nordgold employs about 10,000 workers in CIS and West Africa.

Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this press release, including any information as to Nordgolds 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 Canadian 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 Nordgold's ability to execute its development and exploration programmes; 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 Canadian 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.

STATEMENT OF DIRECTORS RESPONSIBILITIES:

The Board of Directors hereby declares that, to the best of their knowledge: the interim condensed consolidated financial statements for the six months ended 30 June 2013 prepared in accordance with IAS 34, "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position, profit and loss of the company and the undertakings included in the consolidation taken as a whole; and the report on financial and operating results for the three and six months ended 30 June 2013, gives a fair review of the information required pursuant to section 5:25d (8) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

On behalf of the Board of Directors by:

Zelensky N.G.
Chief Executive Officer

Zinkovich S.V.
Chief Financial Officer

Financial and Operating Results
Q2 2013 and H1 2013

Nord Gold N.V.

Interim Condensed Consolidated Financial Statements
as at and for the Six Months Ended 30 June 2013

NORD GOLD N.V.

CONTENTS

NORD GOLD N.V.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the independent auditor's responsibilities stated on the independent auditor's report on review of the interim condensed consolidated financial statements set out on page 2, is made with a view to distinguishing the responsibilities of Directors and those of the independent auditor 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 30 June 2013, and financial performance, cash flows and changes in equity for the six 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 six months ended 30 June 2013 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 six months ended 30 June 2013 were approved on 30 August 2013 on behalf of the Board of Directors by:

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

Deloitte Accountants B.V.
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Report on the review

To: the shareholders of Nord Gold N.V.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Nord Gold N.V., Amsterdam, which comprises the interim condensed consolidated statement of financial position as at 30 June 2013, the interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity, and cash flows for the period of the six months ended 30 June 2013, and the notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements at 30 June 2013 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Rotterdam, 30 August 2013

Deloitte Accountants B.V.

signed on the original:
K.G. Auw Yang

NORD GOLD N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
THREE AND SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)

Amounts in thousands of US dollars, except as otherwise stated

		Six months ended 30 June		Three months ended 30 June	
	Note	**2013**	**2012**	**2013**	**2012**
Sales	4	617 123	528 539	320 307	264 664
Cost of sales		(445 080)	(342 105)	(237 274)	(177 116)
Gross profit		**172 043**	**186 434**	**83 033**	**87 548**
General and administrative expenses	5	(32 040)	(31 503)	(16 646)	(16 711)
Taxes other than income tax		(37 208)	(33 753)	(19 398)	(17 348)
Other operating (expenses)/income, net	6	(314 127)	1 981	(313 172)	4 657
(Loss)/profit from operations		**(211 332)**	**123 159**	**(266 183)**	**58 146**
Finance income	7	1 037	2 315	8 141	370
Finance costs	7	(31 964)	(32 323)	(17 950)	(42 434)
(Loss)/profit before income tax		**(242 259)**	**93 151**	**(275 992)**	**16 082**
Income tax benefit/(expense)	8	67 344	(27 899)	78 065	(10 524)
(Loss)/profit for the period		**(174 915)**	**65 252**	**(197 927)**	**5 558**
Attributable to:					
Shareholders of the Company		(185 344)	35 923	(202 620)	(3 449)
Non-controlling interests		10 429	29 329	4 693	9 007
Weighted average number of shares outstanding during the period (millions of shares)	9	378 095	358 794	378 122	358 794
(Loss)/earnings per share					
Basic and diluted (loss)/earnings per share (US dollars)	9	(0.49)	0.10	(0.54)	(0.01)

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

NORD GOLD N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME THREE AND SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)
Amounts in thousands of US dollars, except as otherwise stated

	Six months ended 30 June		Three months ended 30 June	
	2013	**2012**	**2013**	**2012**
(Loss)/profit for the period	**(174 915)**	**65 252**	**(197 927)**	**5 558**
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange loss	(75 096)	(20 847)	(46 350)	(74 040)
Change in fair value of cash flow hedges	(5 514)	(1 330)	(4 072)	(1 330)
Revaluation of available-for-sale financial assets	(50 795)	(16 385)	(35 040)	(14 949)
Deferred tax on revaluation of available-for-sale financial assets	6 730	2 389	4 827	2 212
Items that will not be reclassified subsequently to profit or loss:				
Foreign exchange loss	(4 100)	(5 136)	(1 970)	(7 863)
Other comprehensive (loss)/income for the period, net of tax	**(128 775)**	**(41 309)**	**(82 605)**	**(95 970)**
Total comprehensive (loss)/income for the period	**(303 690)**	**23 943**	**(280 532)**	**(90 412)**
Attributable to:				
Shareholders of the Company	(309 885)	3 237	(283 255)	(78 725)
Non-controlling interests	6 195	20 706	2 723	(11 687)

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

NORD GOLD N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 JUNE 2013 (UNAUDITED)

Amounts in thousands of US dollars, except as otherwise stated

	Note	30 June 2013	31 December 2012
ASSETS			
Current assets			
Cash and cash equivalents		228 323	44 991
Accounts receivable		65 310	85 064
Inventories		519 459	501 027
Value added tax recoverable		92 464	88 516
Short-term financial investments		20 694	18 502
Income tax receivable		11 992	11 028
Total current assets		**938 242**	**749 128**
Non-current assets			
Property, plant and equipment	11	825 931	861 327
Intangible assets		916 616	1 215 068
Long-term financial investments	13	27 240	81 313
Investment in joint venture		4 015	4 582
Restricted cash		6 252	5 052
Deferred tax assets		7 992	5 324
Other non-current assets		21 293	12 627
Total non-current assets		**1 809 339**	**2 185 293**
TOTAL ASSETS		**2 747 581**	**2 934 421**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	14	206 071	261 905
Accounts payable		179 752	195 958
Income tax payable		27 736	22 947
Provisions		18 395	21 782
Total current liabilities		**431 954**	**502 592**
Non-current liabilities			
Long-term borrowings	14	824 090	463 594
Provisions		79 594	79 282
Deferred tax liabilities		78 194	181 520
Other non-current liabilities		14 380	16 131
Total non-current liabilities		**996 258**	**740 527**
Total liabilities		**1 428 212**	**1 243 119**
Equity			
Share capital		1 307 121	1 306 900
Additional paid-in capital		894 352	894 292
Foreign exchange differences		(115 604)	(40 508)
Accumulated losses		(841 216)	(607 683)
Revaluation reserve		4 273	53 718
Total equity attributable to shareholders of the Company		**1 248 926**	**1 606 719**
Non-controlling interest		70 443	84 583
Total equity		**1 319 369**	**1 691 302**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2 747 581**	**2 934 421**

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

NORD GOLD N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)
Amounts in thousands of US dollars, except as otherwise stated

	Six months ended 30 June	
	2013	**2012**
Operating activities		
(Loss)/profit for the period	**(174 915)**	**65 252**
Adjustments for non-cash movements:		
Finance costs, net of finance income	30 927	30 008
Income tax (benefit)/expense	(67 344)	27 899
Depreciation and amortisation	102 474	93 980
Impairment of non-current assets, net	280 223	205
Net loss from joint venture	248	116
Work-in-progress impairment recognised in cost of sales	7 495	-
Impairment of non-current stockpiles recognised in other operating expenses	33 829	-
Loss on disposal of property, plant and equipment	653	394
Movements in provisions for receivables and other provisions	(1 209)	3 314
	212 381	**221 168**
Changes in operating assets and liabilities:		
Accounts receivable	21 006	(10 218)
Inventories	(38 228)	(100 300)
Value added tax recoverable	(6 597)	(20 384)
Accounts payable	(15 669)	5 727
Other changes in operating assets and liabilities, net	(22 712)	3 127
Cash flows from operations	**150 181**	**99 120**
Interest paid	(20 069)	(51 359)
Income taxes paid	(26 593)	(45 382)
Cash generated from operating activities	**103 519**	**2 379**
Investing activities		
Acquisition of property, plant and equipment	(93 668)	(153 084)
Acquisition of exploration and evaluation assets	(39 998)	(64 060)
Financial investments	(1 582)	(14 101)
Proceeds from disposal of property, plant and equipment	58	26
Proceeds from disposal of financial investments	-	400
Interest received	182	2 032
Cash used in investing activities	**(135 008)**	**(228 787)**
Financing activities		
Proceeds from borrowings	579 633	375 765
Repayment of borrowings	(283 601)	(318 383)
Acquisition of non-controlling interest in subsidiary	(23 589)	-
Borrowing and equity transaction costs paid	(8 417)	-
Dividends paid	(43 573)	-
Cash generated from financing activities	**220 453**	**57 382**
Net increase / (decrease) in cash and cash equivalents	**188 964**	**(169 026)**
Cash and cash equivalents at beginning of the period	44 991	217 133
Effect of exchange rates fluctuations on cash and cash equivalents	(5 632)	2 417
Cash and cash equivalents at end of the period	**228 323**	**50 524**

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

NORD GOLD N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)

	Attributable to the shareholders of Nord Gold N.V.							
	Share capital	**Additional paid-in capital**	**Foreign exchange differences**	**Accumulated losses**	**Revaluation reserve**	**Total**	**Non-controlling interests**	**Total**
Balance at 1 January 2012	**1 244 501**	**862 340**	**(71 367)**	**(562 002)**	**41 991**	**1,515 463**	**240 764**	**1 756 227**
Profit for the period	-	-	-	35 923	-	35 923	29 329	65 252
Foreign exchange loss	-	-	(20 847)	-	-	(20 847)	(5 136)	(25 983)
Change in fair value of cash flow hedges	-	-	-	-	(1 330)	(1 330)	-	(1 330)
Revaluation of available-for-sale financial investments	-	-	-	-	(12 302)	(12 302)	(4 083)	(16 385)
Deferred tax on revaluation of available-for-sale investments	-	-	-	-	1 793	1 793	596	2 389
Total comprehensive income for the period						3 237	20 706	23 943
Balance at 30 June 2012	**1 244 501**	**862 340**	**(92 214)**	**(526 079)**	**30 152**	**1 518 700**	**261 470**	**1 780 170**
Balance at 1 January 2013	**1 306 900**	**894 292**	**(40 508)**	**(607 683)**	**53 718**	**1 606 719**	**84 583**	**1 691 302**
(Loss)/profit for the period	-	-	-	(185 344)	-	(185 344)	10 429	(174 915)
Foreign exchange loss	-	-	(75 096)	-	-	(75 096)	(4 100)	(79 196)
Change in fair value of cash flow hedges	-	-	-	-	(5 514)	(5 514)	-	(5 514)
Revaluation of available-for-sale financial investments	-	-	-	-	(50 621)	(50 621)	(174)	(50 795)
Deferred tax on revaluation of available-for-sale investments	-	-	-	-	6 690	6 690	40	6 730
Total comprehensive (loss)/income for the period						(309 885)	6 195	(303 690)
Share issue	221	60	-	-	-	281	-	281
Dividends	-	-	-	(44 618)	-	(44 618)	-	(44 618)
Acquisition of non-controlling interest in subsidiary	-	-	-	(3 571)	-	(3 571)	(20 335)	(23 906)
Balance at 30 June 2013	**1 307 121**	**894 352**	**(115 604)**	**(841 216)**	**4 273**	**1 248 926**	**70 443**	**1 319 369**

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

1. OPERATIONS

Nord Gold N.V. (the "Company") is a Dutch public limited liability company as defined in the Netherlands Civil Code. The Company was established as a private limited liability company in 2005 named Sakha Gold B.V. and was renamed to public limited liability company Severstal Gold N.V. in 2009 and further to public limited liability company Nord Gold N.V. in 2010. The Company's Global Depository Receipts are listed on the London Stock Exchange.

The Company's registered office is Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam Zuidoost, the Netherlands.

As at 30 June 2013 and 31 December 2012, the Company's immediate parent company ("Parent Company") was Canway Holding B.V., Netherlands, and the Company's ultimate controlling party was Alexey A. Mordashov.

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

2. BASIS OF 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 2012 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 six months ended 30 June 2013. 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 2012. 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 2012, except for the impact of adoption of the new and revised standards and interpretations mandatory for the annual periods beginning on 1 January 2013.
The impact of the adoption of these standards and interpretations on the Group's interim condensed consolidated financial statements is described below.

Amendments to IAS 1 *Presentation of Financial Statements*

The Group has adopted the amendments to IAS 1 *Presentation of Financial Statements* "Presentation of Items of Other Comprehensive Income". The statement of comprehensive income has been renamed to the statement of profit or loss and other comprehensive income, and the income statement to the statement of profit or loss. The amendments retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate consecutive statements. However, the amendments require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss, and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Application of IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*

Starting from 1 January 2013, the Group applies IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* for accounting of stripping costs that are incurred in surface mining activity during the production phase of the mine ("production stripping costs").

The adoption of this interpretation did not have a significant impact on the Group's interim condensed consolidated financial statements.

The Group separates two different types of stripping costs that are incurred in surface mining activities during the production phase:

- stripping activity asset, and
- current production stripping costs.

Production stripping costs incurred in order to improve access to further quantities of mineral ore that will be mined in future periods should be capitalized as stripping activity asset.

A stripping activity asset should be recognised if, and only if, all of the following are met:

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
- the entity can identify the component of the ore body for which access has been improved; and
- the costs relating to the stripping activity associated with that component can be measured reliably.

Production stripping costs which do not meet the criteria for stripping activity asset recognition are accounted for as current production stripping costs in accordance with the principles of *IAS 2 Inventories.* The Group assessed that adoption of IFRIC 20 did not result in the changes to the Group accounting policies in respect of accounting for stripping costs.

Critical accounting judgements, estimates and assumptions

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The significant judgements 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 2012, except for useful lives of mineral rights.

Starting from 1 January 2013, management reassessed estimated useful lives of its mines. The effect of change in accounting estimate on these interim condensed consolidated financial statements was a decrease in amortisation expense in the amount of $25.9 million.

Management conducted an impairment review as at 30 June 2013 of its tangible and intangible assets. Major assumptions that relate to impairment of tangible and intangible assets are presented in Note 12.

Amounts in thousands of US dollars, except as stated otherwise

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.

Reclassifications

In prior periods, the revaluation of available-for-sale investments acquired on acquisition of subsidiaries was partially presented within "Accumulated losses". In 2013, management made a decision to present this portion of accumulated revaluation within "Revaluation reserve". Comparative information as at 31 December 2012 and for the six months ended 30 June 2012 has been reclassified accordingly to achieve consistency in presentation. Management believes that such presentation better reflects the substance of accumulated revaluation.

	Before reclassification	After reclassification	Effect
Revaluation reserve	27 068	53 718	26 650
Accumulated losses	(581 033)	(607 683)	(26 650)
	(553 965)	**(553 965)**	**-**

3. SEGMENT REPORTING

The Group has nine reportable segments, as described below, representing the Group's strategic business units. The strategic business units are managed separately. For each of the strategic business units, the Group's CEO reviews internal management reports on at least monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- *Neryungri and Aprelkovo*. The segment includes gold mining entities OOO Neryungri-Metallic and ZAO Mine Aprelkovo located in the Republic of Yakutia and the Chitinskaya region of the Russian Federation and operating mines with the heap-leaching technology for gold processing. OOO Neryungri-Metallic operates an open-pit gold mine Tabornoye and the Gross gold exploration project. Mine Aprelkovo operates an open-pit gold mine Pogromnoye.
- *Suzdal and Balazhal*. The segment includes Celtic Group operating the Suzdal underground gold mine located in Kazakhstan with the flotation, bio-oxidation ("BIOX") and carbon-in-leach ("CIL") technology for gold processing and geographically aggregated with Semgeo, which operates the Balazhal gold deposit in Kazakhstan.

Amounts in thousands of US dollars, except as stated otherwise

- *Buryatzoloto*. A gold mining entity located in the Republic of Buryatia of the Russian Federation includes two underground gold mines: 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.
- *Taparko*. An open-pit gold mine located in Burkina Faso, West Africa with the CIL technology for gold processing.
- *Lefa*. The segment includes Crew Gold Group operating 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*. The segment includes a number of gold deposits at exploration and evaluation stage located in Burkina Faso, West Africa.
- *Russian Greenfields*. The segment includes a number of gold deposits at exploration and evaluation stage located in the Russian Federation.

The Group uses EBITDA in assessing the segments growth and operational efficiencies. EBITDA is determined as net profit/loss for the period adjusted for income tax expense/(benefit), finance income, finance costs, depreciation and amortisation, impairment/(reversal of impairment) of non-current assets, net result on disposal of property, plant and equipment, negative goodwill, equity remeasurement loss/(gain), social expenses and charity donations and net result on disposal of subsidiaries. Normalized EBITDA is EBITDA adjusted for other non-cash exceptional items and items of a one-off or non-recurring nature.

The following is an analysis of the Group's sales and EBITDA by segment:

	Six months ended 30 June		Three months ended 30 June	
	2013	**2012**	**2013**	**2012**
Sales				
Neryungri and Aprelkovo	53 438	49 992	28 888	28 076
Suzdal and Balazhal	50 799	62 919	26 494	29 756
Buryatzoloto	72 664	101 891	34 920	49 098
Berezitovy	83 976	74 833	41 595	40 463
Taparko	83 797	101 108	36 050	46 833
Lefa	107 017	137 796	51 082	70 438
Bissa	165 432	-	101 278	-
Total	**617 123**	**528 539**	**320 307**	**264 664**

	Six months ended 30 June		Three months ended 30 June	
	2013	**2012**	**2013**	**2012**
Normaized EBITDA by segment				
Neryungri and Aprelkovo	16 159	21 070	7 371	11 019
Suzdal and Balazhal	23 911	21 416	15 548	9 091
Buryatzoloto	15 956	51 824	6 246	23 722
Berezitovy	34 229	41 231	14 260	22 170
Taparko	33 778	62 852	12 261	28 149
Lefa	(6 694)	31 546	(7 894)	14 794
Bissa	111 578	-	67 639	-
Russian Greenfields	(133)	(131)	(129)	(89)
Unallocated items and consolidation adjustments	(16 032)	(11 128)	(9 063)	(4 511)
Total	**212 752**	**218 680**	**106 239**	**104 345**

Amounts in thousands of US dollars, except as stated otherwise

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

	Six months ended 30 June		Three months ended 30 June	
	2013	**2012**	**2013**	**2012**
(Loss)/profit for the period	(174 915)	65 252	(197 927)	5 558
Income tax expense	(67 344)	27 899	(78 065)	10 524
Finance income	(1 037)	(2 315)	(8 141)	(370)
Finance costs	31 964	32 323	17 950	42 434
Depreciation and amortisation	102 474	93 980	51 211	47 364
Impairment/(reversal of impairment) of tangible and intangible assets	280 223	205	280 279	(1 889)
Impairment of work-in-progress	41 324	-	41 324	-
Net loss on disposal of property, plant and equipment	653	394	644	380
Other items, net	(590)	942	(1 036)	344
Normalized EBITDA for the period	**212 752**	**218 680**	**106 239**	**104 345**

4. SALES

	Six months ended 30 June		Three months ended 30 June	
	2013	**2012**	**2013**	**2012**
By product				
Gold	613 477	525 018	318 100	263 038
Silver	3 646	3 521	2 207	1 626
Total	**617 123**	**528 539**	**320 307**	**264 664**

	Six months ended 30 June		Three months ended 30 June	
	2013	**2012**	**2013**	**2012**
By customer				
Switzerland: Metalor Technologies S.A.	300 029	140 307	163 824	76 589
Switzerland: MKS Finance S.A.	107 017	137 796	51 082	70 438
Russia: NOMOS bank	90 928	118 793	46 020	59 509
Russia: VTB	83 976	74 833	41 595	40 463
Russia: Sberbank	35 173	33 090	17 786	17 665
Switzerland: Standard Bank	-	23 720	-	-
Total	**617 123**	**528 539**	**320 307**	**264 664**

5. GENERAL AND ADMINISTRATIVE EXPENSES

	Six months ended 30 June		Three months ended 30 June	
	2013	**2012**	**2013**	**2012**
Wages and salaries	15 859	13 440	9 022	6 756
Services	9 857	11 289	5 370	6 442
Social security costs	2 384	2 539	1 244	1 285
Materials and consumables	622	619	367	482
Depreciation and amortisation	357	451	180	217
Change in bad debt allowance	146	414	52	(16)
Other expenses	2 815	2 751	411	1 545
Total	**32 040**	**31 503**	**16 646**	**16 711**

Amounts in thousands of US dollars, except as stated otherwise

6. OTHER OPERATING (EXPENSES)/INCOME, NET

	Six months ended 30 June		Three months ended 30 June	
	2013	**2012**	**2013**	**2012**
Impairment of tangible and intangible assets	(280 223)	(205)	(280 279)	1 889
Impairment of non-current stockpiles	(33 829)	-	(33 829)	-
Increase in provisions and contingencies	(1 697)	-	(1 697)	-
Social expenses	(720)	(734)	(288)	(256)
Loss on disposal of property, plant and equipment	(653)	(394)	(644)	(380)
Charity donations	(524)	(214)	(502)	(92)
Net loss from joint ventures	(248)	(116)	(124)	-
Net gain/(loss) from contractual compensations and fines	2 731	(86)	2 731	(86)
Gain from depository receipt program agreement	-	3,600	-	3 600
Net gain/(loss) on disposal of inventories	195	116	(25)	206
Other	841	14	1 485	(224)
Total	**(314 127)**	**1 981**	**(313 172)**	**4 657**

Detailed results of impairment review are described in Note 12.

7. FINANCE INCOME AND COSTS

	Six months ended 30 June		Three months ended 30 June	
Finance income	**2013**	**2012**	**2013**	**2012**
Interest income	1 037	2 315	606	370
Foreign exchange gain	-	-	7 535	-
Total	**1 037**	**2 315**	**8 141**	**370**
Finance costs				
Interest expenses	(27 323)	(13 613)	(16 836)	(6 598)
Other borrowing costs	(3 211)	-	(548)	-
Foreign exchange loss	(741)	(17 682)	-	(34 996)
Other	(689)	(1 028)	(566)	(840)
Total	**(31 964)**	**(32 323)**	**(17 950)**	**(42 434)**

8. INCOME TAX

Interim period income tax is accrued based on the estimated average annual effective income tax rate of 27.8% (2012: 30.0%).

Decrease in the effective tax rate was caused by the fact that profits generated by Bissa mine, which commenced commercial production in January 2013, are subject to income tax rate of 17.5%. This rate is lower than average tax rate for the Group.

Amounts in thousands of US dollars, except as stated otherwise

9. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2013 was based on the loss attributable to ordinary shareholders of the Company of US$ 185 344 thousand (six months ended 30 June 2012: profit of US$ 35 923 thousand), and a weighted average number of outstanding ordinary shares of 378.1 million (2012: 358.8 million).

The Company has no dilutive potential ordinary shares.

	Shares issued (in million of shares)	Weighted average number of shares (in million of shares)
Issued shares at 1 January 2012	358 794	
Weighted average number of shares for the six months ended 30 June 2012		358 794
Weighted average number of shares for the three months ended 30 June 2012		358 794
Issued shares at 1 January 2013	378 053	
Shares issued in March 2013	0,069	
Weighted average number of shares for the six months ended 30 June 2013		378 095
Weighted average number of shares for the three months ended 30 June 2013		378 122

10. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties:

	Six months ended 30 June		Three months ended 30 June	
	2013	2012	2013	2012
Purchases	(7 582)	(2 366)	(2 377)	(505)
Interest income	-	532	-	3
Interest expense	-	(5 655)	-	-

There were no transactions or balances with the Parent Company during the reporting period.

As at 30 June 2013, trade payables to related parties amounted to US$ 793 thousand (31 December 2012 – US$ 1 258 thousand). There were no other significant balances with related parties.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, the Group acquired items of property, plant and equipment with a cost of US$ 83 306 thousand (six months ended 30 June 2012: US$ 140 664 thousand).

Amounts in thousands of US dollars, except as stated otherwise

12. IMPAIRMENT

The Group assesses the carrying value of its tangible and intangible assets when events or changes in circumstances suggest that indicators of impairment exist. Consideration was given to a range of indicators including the decline in the gold price occurred in the reporting period. The review resulted in the recognition of impairment losses in the following cash generating units:

	Six months ended 30 June		Three months ended 30 June	
	2013	**2012**	**2013**	**2012**
Impairment/(reversal) of intangible assets				
Lefa	172 353	-	172 353	-
Suzdal & Balazhal	60 323	(1 945)	60 323	(1 945)
Aprelkovo	29 321	-	29 321	-
Impairment/(reversal) of property, plant and equipment				
Aprelkovo	17 593	2 094	17 593	-
Zherek	689	-	689	-
Berezitovy	(56)	56	-	56
Total impairment of tangible and intangible assets, recognised in other operating expenses	**280 223**	**205**	**280 279**	**(1 889)**
Work-in-progress impairment				
Lefa	5 910	-	5 910	-
Suzdal & Balazhal	1 162	-	1 162	-
Berezitovy	249	-	249	-
Taparko	174	-	174	-
Work-in-progress impairment recognised in cost of sales	**7 495**	**-**	**7 495**	**-**
Impairment of non-current stockpiles				
Aprelkovo	22 362	-	22 362	-
Taparko	11 240	-	11 240	-
Suzdal & Balazhal	227	-	227	-
Impairment of non-current stockpiles recognised in other operating expenses	**33 829**	**-**	**33 829**	**-**

Management’s assumptions used in determination of value in use of tangible and intangible assets were as follows:

- A long-term gold price of US$1,345/oz (2012: US$1,387/oz) which was based on analyst consensus data;
- Mine plans based on proved and probable ore reserves reports as at 31 December 2012;
- After-tax discount rate ranging from 9.19% to 10.34% which is based on the Group’s weighted average cost of capital and risk factors consistent with those considered in 2012.

Net realisable value of inventories was based on the forecast gold price for the expected sale period.

Amounts in thousands of US dollars, except as stated otherwise

13. LONG-TERM FINANCIAL INVESTMENTS

As at 30 June 2013 and 31 December 2012, the Group held available-for-sale investments represented by market traded shares in Detour Gold Corporation and several other gold exploration and mining companies. During the six months ended 30 June 2013, the market value of these investments declined by US$ 51 million and valuation adjustment was recognised directly in other comprehensive income. Since the market value of these investments exceeded their cost, no impairment loss was recognised.

14. BORROWINGS

Short-term borrowings were as follows:

	30 June 2013	31 December 2012
Bank loans	194 028	261 855
Derivative financial instruments	6 462	-
Accrued interest	5 581	1 145
Bank overdrafts	-	258
Unamortised balance of transaction costs	-	(1 353)
Total	**206 071**	**261 905**

As at 30 June 2013, bank loans were represented by loans from Sberbank.

As at 31 December 2012, bank loans comprised the current portion of a US$ 375 million loan facility from Sberbank in the amount of US$ 60.4 million and the bridge facility coordinated by Societe Generale, Natixis and Sberbank (“Bridge facility”)in the amount of US$ 201.5 million.

As at 30 June 2013 and 31 December 2012, the 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 loan agreements with Sberbank.

Long-term borrowings were as follows:

	30 June 2013	31 December 2012
Notes and bonds issued	500 000	-
Bank loans	295 539	466 431
Derivative financial instruments	35 760	(919)
Unamortised balance of transaction costs	(7 209)	(1 918)
	-	-
Total	**824 090**	**463 594**

In January and March 2013, the Group received US$ 55 million and US$ 23.5 million, respectively, out of the US$ 280 million Bridge facility. In May 2013, the Bridge facility was re-financed using the proceeds of the US$ 500 million unsecured notes issue completed in May 2013. 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.

As at 30 June 2013, bank loans included a loan from Sberbank. As at 31 December 2012, bank loans included the non-current portion of Bridge facility.

As at 30 June 2013 and 31 December 2012, loan facilities from Sberbank were secured by 51.07% +1 share of the Group's ownership in High River Gold Mines Ltd. As at June 30, 2013 the carrying amount of pledged entities' net assets amounted to US$ 1,042 million (31 December 2012: US$ 1,026 million).

As at 30 June 2013 and 31 December 2012, the derivative financial instruments represent the fair value of cross-currency swaps held by the Group for hedging of currency and interest rate risks attributable to the loan agreements with Sberbank.

The fair value of debt instruments approximated their carrying value at 30 June 2013, except for fair value of notes which had market value of US$ 433.2 million.

Fair value hierarchy

The derivative financial liability and the Sberbank loan facility are categorized by the valuation methods into Level 2 of the fair value hierarchy: inputs, other than quoted prices (unadjusted) in active markets for identical assets or liabilities, that are observable for the asset or liability either directly or indirectly.

Hedge accounting

As at 30 June 2013, the outstanding derivative financial instruments qualified for hedge accounting under IFRS.

15. ACQUISITION OF NON-CONTROLLING INTERESTS

In March 2013, the Group acquired an additional 2.09% stake in High River Gold Mines Ltd. in exchange for 68,996 of the Company's GDRs and Canadian $ 24.2 million (equivalent of US$ 23.6 million) in cash, bringing its ownership in this company to 100%.

16. COMMITMENTS AND CONTINGENCIES

The Group's tax risks and litigations are the same as those disclosed in the consolidated financial statements as at and for the year ended December 31, 2012 except the following developments.

Taxation systems and tax contingencies in the Russian Federation, Kazakhstan, Burkina Faso and Guinea

The taxation system and regulatory environment of the Russian Federation, Kazakhstan, Burkina Faso and Guinea ("countries of operation") are relatively new and characterized by numerous taxes and frequently changing legislation, which is often unclear, contradictory and subject to varying interpretations between the differing regulatory authorities and jurisdictions, who are empowered to impose significant fines, penalties and interest charges. Events during recent years suggest that the regulatory authorities within the countries of operation are adopting a more assertive stance regarding the interpretation and enforcement of legislation. This situation creates substantial tax and regulatory risks.

In February 2013, Societe Des Mines de Taparko ("Taparko"), a subsidiary of the Group, received a notification from the Burkina Faso tax authorities on the results of a tax audit resulting in additional assessment withholding value adding tax ("VAT") and withholding income tax and penalties for 2010-2011 in total amount of US$ 6.3 million. Taparko intends to appeal the results of the tax audit. Nevertheless, the claim had been fully provided for in these interim condensed consolidated financial statements, since the positive outcome cannot currently be ascertained.

The VAT regulation of Burkina Faso imposes complicated compliance requirements for VAT exemption on purchases applicable to exploration companies. In case of noncompliance with the requirements of local legislation relating to documentary support, the tax authorities may challenge the VAT exemption of certain transactions. The estimated effect on these interim condensed consolidated financial statements, if any, if the authorities were successful in challenging the Group's VAT position, is an additional tax assessment of US $ 2.4 million.

In April 2013, Bissa Gold SA ("Bissa"), a subsidiary of the Group, received notification from the Burkina Faso tax authorities on the results of a tax audit resulting in the additional assessment for withholding VAT and penalties of US$ 4.1 million. Currently Bissa is in the process of appealing the results of tax review. At the present time the outcome of the claim cannot be ascertained and, thus, no provision has been made.

As a Canadian incorporated entity with central management and control in the United Kingdom ("UK"), Crew Gold Corporation, a subsidiary of the Group, may be viewed as a tax resident in both the UK and Canada. The potential dual tax residence has been under review by the UK and Canadian authorities. In April 2013 these authorities notified Crew Gold Corporation that Canada will cede residence to the UK. Due to change in tax residence, Crew Gold Corporation will be liable for a payment of Canadian exit taxes in the total amount of US$ 2.8 million. This amount has been recognised as a liability as of 30 June 2013 in these interim condensed consolidated financial statements.

Guinor, a subsidiary of the Group, which is a Canadian tax resident, is exposed to tax risks in respect of deductibility of interest up to US$ 15.6 million.

Some loan agreements between certain of the High River Gold Ltd. subsidiaries contained not explicitly clear terms regarding the treatment of interest payments which may lead to the additional corporate income tax of US$ 4.6 million.

The ecological and tax legislation of Kazakhstan is not explicitly clear regarding the treatment of certain tailings and the application of related ecological tax rules. In October 2012, JSC FIC Alel ("Alel"), a subsidiary of the Group, received a notification on statutory review for compliance with ecological and tax legislations. In the worst case Alel may be liable for a payment of ecological tax and penalties in the total amount of US$ 220.1 million. In December 2012, the statutory ecological review was finalized and no violations of ecological legislation were found. The statutory tax review is still in progress and there have been no any related tax claims by this time. The management believes that Alel is fully compliant with ecological legislation and related ecological tax rules and estimates the unfavorable outcome of the review as being remote.

The Group was involved in a number of other litigations. As at 30 June 2013, the Group's exposure to unfavorable outcome in respect of these litigations amounted to US$ 0.8 million.

Capital commitments

At 30 June 2013, the Group had contractual capital commitments of US$ 44.6 million (31 December 2012: US$ 102.6 million).

17. EVENTS AFTER THE REPORTING PERIOD

In December 2012, following an audit conducted by the regional tax authorities, Zherek LLP ("Zherek"), a subsidiary of the Group, received a notification on additional income tax charge, including penalties, in the amount of US$ 3.8 million. Zherek considered claim being unjustified and filed a complaint to the Tax Department of Eastern-Kazakhstan region, which was rejected. In the consolidated annual financial statements for the year ended 31 December 2012, the claim was partially provided for in the amount of US$ 0.7 million. In respect of the remaining portion of US$ 2.9 million an official complaint to the upper tax authorities was filed. On 26 July 2013 this complaint was rejected by the court. The Company filed the further complaint to the state authorities and still believes that the provision recognised earlier is sufficient.

In November 2011, Energy Resourcing Middle East Limited filed a claim against Crew Gold Corporation's subsidiary Société Minière de Dinguiraye ("SMD") to the International Court of Arbitration for contractual debt and damages in total amount of approximately US$ 2 million. In July 2013, the parties had signed a settlement agreement imposing SMD to pay US$ 1 million. The liability was provided as at 30 June 2013 and the total amount of the settlement had been repaid in July 2013.