Nord Gold N.V.

Interim Condensed Consolidated Financial Statements as at and for the Nine Months Ended 30 September 2014

CONTENTS

NORD GOLD N.V.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Directors are responsible for the preparation of the interim condensed consolidated financial statements that present fairly the consolidated financial position of the Group as at 30 September 2014, and financial performance, cash flows and changes in equity for the nine 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 nine months ended 30 September 2014 prepared in accordance with IAS 34, give a true and fair view of the Group's consolidated assets, liabilities, financial position, and profit and loss.

The interim condensed consolidated financial statements for the nine months ended 30 September 2014 were approved on 17 November 2014 on behalf of the Board of Directors by:

Zelensky N.G. Chief Executive Officer	Guzeev D.V. Acting Chief Financial Officer

NORD GOLD N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (UNAUDITED)

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

		Nine months ended 30 September		Three months ended 30 September	
		2014	**2013 (Restated)**	**2014**	**2013 (Restated)**
Sales	4	961 761	942 443	344 744	325 320
Cost of sales		(599 368)	(720 028)	(212 796)	(255 184)
Gross profit		**362 393**	**222 415**	**131 948**	**70 136**
General and administrative expenses	5	(47 165)	(46 248)	(13 810)	(14 208)
Taxes other than income tax		(56 231)	(56 233)	(19 962)	(19 025)
Impairment of non-current assets		(15 962)	(314 127)	(325)	(75)
Other operating (expenses)/income, net		(614)	(3 385)	710	(3 310)
Profit/(loss) from operations		**242 421**	**(197 578)**	**98 561**	**33 518**
Finance income	6	2 349	5 146	1 080	4 850
Finance costs	6	(79 712)	(49 844)	(25 902)	(18 621)
Profit/(loss) before income tax		**165 058**	**(242 276)**	**73 739**	**19 747**
Income tax (expense)/benefit	7	(34 476)	75 559	(16 825)	3 493
Profit/(loss) for the period		**130 582**	**(166 717)**	**56 914**	**23 240**
Attributable to:					
Shareholders of the Company		113 792	(181 804)	49 496	18 582
Non-controlling interests		16 790	15 087	7 418	4 658
Weighted average number of shares outstanding during the period (millions of shares) – basic and diluted	8	378,122	378,104	378,122	378,122
Earnings/(loss) per share					
Basic and diluted earnings/(loss) per share (US dollars)	8	0,30	(0,48)	0,13	0,05

NORD GOLD N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (UNAUDITED)
(Amounts in thousands of US dollars, except as otherwise stated)

	Nine months ended 30 September		Three months ended 30 September	
	2014	2013 (Restated)	2014	2013 (Restated)
Profit/(loss) for the period	**130 582**	**(166 717)**	**56 914**	**23 240**
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange differences	(159 424)	(52 414)	(120 077)	22 682
Change in fair value of cash flow hedges	2 372	(6 176)	-	(662)
Revaluation of available-for-sale financial assets	13 520	(50 818)	(17 768)	(197)
Deferred tax on revaluation of available-for-sale financial assets	(1 775)	6 516	2 183	(174)
Items that will not be reclassified subsequently to profit or loss:				
Foreign exchange differences	(11 094)	(2 657)	(9 525)	1 577
Other comprehensive (loss)/income for the period, net of tax	**(156 401)**	**(105 549)**	**(145 187)**	**23 226**
Total comprehensive income/(loss) for the period	**(25 819)**	**(272 266)**	**(88 273)**	**46 466**
Attributable to:				
Shareholders of the Company	(31 515)	(284 696)	(86 166)	40 231
Non-controlling interests	5 696	12 430	(2 107)	6 235

Nord Gold N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014 (UNAUDITED)

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

		30 September 2014	31 December 2013 (Restated)
ASSETS			
Current assets			
Cash and cash equivalents		366 006	244 042
Accounts receivable		45 910	51 787
Inventories		380 385	435 777
VAT recoverable		50 029	82 656
Income tax receivable		6 450	10 854
Total current assets		**848 780**	**825 116**
Non-current assets			
Property, plant and equipment	10	729 848	816 356
Intangible assets		801 673	906 000
Long-term financial investments	12	46 614	16 534
Investment in joint venture		-	3 105
Restricted cash		8 458	6 496
Deferred tax assets		29 252	26 466
Other non-current assets		62 242	31 502
Total non-current assets		**1 678 087**	**1 806 459**
TOTAL ASSETS		**2 526 867**	**2 631 575**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	11	13 136	326 678
Accounts payable		162 476	203 143
Income tax payable		21 427	44 196
Provisions		9 010	19 655
Total current liabilities		**206 049**	**593 672**
Non-current liabilities			
Long-term borrowings	11	987 854	641 279
Provisions		61 765	67 608
Deferred tax liabilities		54 925	59 683
Other non-current liabilities		18 578	18 736
Total non-current liabilities		**1 123 122**	**787 306**
Total liabilities		**1 329 171**	**1 380 978**
Equity			
Share capital		1 307 121	1 307 121
Additional paid-in capital		894 352	894 352
Foreign exchange differences		(273 576)	(114 152)
Accumulated losses		(824 292)	(912 439)
Revaluation reserve		11 358	(2 759)
Total equity attributable to shareholders of the Company		**1 114 963**	**1 172 123**
Non-controlling interests		82 733	78 474
Total equity		**1 197 696**	**1 250 597**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2 526 867**	**2 631 575**

NORD GOLD N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (UNAUDITED)
(Amounts in thousands of US dollars, except as otherwise stated)

	Nine months ended 30 September	
	2014	**2013 (Restated)**
Operating activities		
Profit/(loss) for the period	**130 582**	**(166 717)**
Adjustments for non-cash movements:		
Finance income	(2 349)	(5 146)
Finance costs	79 712	49 844
Income tax expense/(benefit)	34 476	(75 559)
Depreciation and amortisation	150 001	168 055
Impairment of non-current assets	15 962	314 127
Impairment/ (utilization of impairment) of work-in-progress	(18 162)	7 495
Net loss from joint ventures	2 909	376
(Gain)/loss on disposal of property, plant and equipment	(715)	1 053
Movements in provisions for inventories, receivables and other provisions	(1 101)	(1 267)
	391 315	**292 261**
Changes in operating assets and liabilities:		
Accounts receivable	(9 076)	15 890
Inventories	13 491	(28 809)
VAT recoverable	(9 340)	2 168
Accounts payable	(17 722)	(7 305)
Other changes in operating assets and liabilities, net	2 328	(12 356)
Cash flows from operations	**370 996**	**261 849**
Interest paid	(33 064)	(28 186)
Income taxes paid	(65 884)	(28 323)
Cash generated from operating activities	**272 048**	**205 340**
Investing activities		
Acquisition of property, plant and equipment	(86 471)	(130 972)
Acquisition of exploration and evaluation assets	(24 168)	(59 978)
Additions to financial investments	(17 957)	(5 660)
Interest received	2 125	876
Cash used in investing activities	**(126 471)**	**(195 734)**
Financing activities		
Proceeds from borrowings	500 449	579 684
Repayment of borrowings	(475 538)	(285 315)
Acquisition of non-controlling interest in subsidiary	-	(23 199)
Dividends paid	(26 694)	(46 507)
Finance and equity transaction costs paid	(7 500)	(8 324)
Bank charges paid	(1 261)	(994)
Cash generated from financing activities	**(10 544)**	**215 345**
Net increase in cash and cash equivalents	**135 033**	**224 951**
Cash and cash equivalents at beginning of the period	244 042	44 991
Effect of exchange rate fluctuations on cash and cash equivalents	(13 069)	(6 162)
Cash and cash equivalents at end of the period	**366 006**	**263 780**

NORD GOLD N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (UNAUDITED)
(Amounts in thousands of US dollars, except as otherwise stated)

	Attributable to the shareholders of the Company							
	Share capital	**Additional paid-in capital**	**Foreign exchange differences**	**Accumulated losses**	**Revaluation reserve**	**Total**	**Non-controlling interests**	**Total**
Balance at 1 January 2013	**1 306 900**	**894 292**	**(43 307)**	**(606 710)**	**55 544**	**1 606 719**	**84 583**	**1 691 302**
Effect of change in accounting policy (Note 2)	**-**	**-**	**-**	(14 148)	**-**	(14 148)	(337)	(14 485)
Balance at 1 January 2013, restated	**1 306 900**	**894 292**	**(43 307)**	**(620 858)**	**55 544**	**1 592 571**	**84 246**	**1 676 817**
(Loss)/ profit for the period	-	-	-	(181 804)	-	(181 804)	15 087	(166 717)
Other comprehensive loss for the period, net of tax	-	-	(52 414)	-	(50 478)	(102 892)	(2 657)	(105 549)
Total comprehensive (loss) / income for the period						(284 696)	12 430	(272 266)
Shares issue	221	60	-	-	-	281	-	281
Dividends	-	-	-	(44 618)	-	(44 618)	(1 889)	(46 507)
Acquisitions of non-controlling interests	-	-	-	(3 571)	-	(3 571)	(20 335)	(23 906)
Balance at 30 September 2013	**1 307 121**	**894 352**	**(95 721)**	**(850 851)**	**5 066**	**1 259 967**	**74 452**	**1 334 419**
Balance at 1 January 2014	**1 307 121**	**894 352**	**(114 152)**	**(869 489)**	**(2 759)**	**1 215 073**	**79 074**	**1 294 147**
Effect of change in accounting policy (Note 2)	**-**	**-**	**-**	(42 950)	**-**	(42 950)	(600)	(43 550)
Balance at 1 January 2014, restated	**1 307 121**	**894 352**	**(114 152)**	**(912 439)**	**(2 759)**	**1 172 123**	**78 474**	**1 250 597**
Profit for the period	-	-	-	113 792	-	113 792	16 790	130 582
Other comprehensive (loss)/income for the period, net of tax	-	-	(159 424)	-	14 117	(145 307)	(11 094)	(156 401)
Total comprehensive income for the period						(31 515)	5 696	(25 819)
Dividends	-	-	-	(25 645)	-	(25 645)	(1 437)	(27 082)
Balance at 30 September 2014	**1 307 121**	**894 352**	**(273 576)**	**(824 292)**	**11 358**	**1 114 963**	**82 733**	**1 197 696**

1. OPERATIONS

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

As at 30 September 2014 and 31 December 2013, the immediate parent company of the Company was Canway Holding B.V. ("the Parent Company"), registered in the Netherlands, and the controlling shareholder of the Company was Mr. Alexey A. Mordashov.

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

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

Statement of compliance

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

The interim condensed consolidated financial statements are unaudited and do not include all of the information required in the annual financial statements. The Group omitted disclosures which would substantially duplicate the information contained in its audited annual consolidated financial statements for the year ended 31 December 2013 prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the European Union ("IFRSs EU"), such as full set of accounting policies and details of accounts which have not changed significantly. The Group has provided disclosures where significant events have occurred during nine months ended 30 September 2014. Management believes that disclosures provided in these interim condensed consolidated financial statements are adequate to make the information presented not misleading if these interim condensed consolidated financial statements are read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2013. In the opinion of management, these financial statements reflect all adjustments necessary to present fairly the Group's financial position, results of operations, statements of changes in equity and cash flows for the interim reporting period.

Significant accounting policies

New standards and interpretations

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

- IAS 27 (Amended) *Separate Financial Statements*;
- IAS 28 (Amended) *Investments in Associates*;
- IAS 32 (Amended) *Financial Instruments: Presentation*;
- IFRS 10 *Consolidated Financial Statements*;
- IFRS 11 *Joint Agreements*;
- IFRS 12 *Disclosure of Interest in Other Entities*;
- Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities.*

The amended standard IAS 27 *Separate Financial Statements* carries forward the existing accounting and disclosure requirements of IAS 27 for separate financial statements with some clarifications. The requirements of IAS 28 and IAS 31 for separate financial statements have been incorporated into IAS 27.

The amended standard IAS 28 *Investments in Associates and Joint Ventures* combines the requirements in IAS 28 and IAS 31 that were carried forward but not incorporated into IFRS 11 and IFRS 12.
Amendments to IAS 32 *Financial Instruments: Presentation* – Offsetting Financial Assets and Financial Liabilities do not introduce new rules for offsetting financial assets and liabilities; rather they clarify the offsetting criteria to address inconsistencies in their application.

IFRS 10 *Consolidated Financial Statements* supersedes IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 introduces a single control model which includes entities that are currently within the scope of SIC-12. Consolidation procedures are carried forward from IAS 27. When the adoption of IFRS 10 does not result a change in the previous consolidation or non-consolidation of an investee, no adjustments to accounting are required on initial application. When the adoption results a change in the consolidation or non-consolidation of an investee, the new standard may be adopted with either full retrospective application from date that control was obtained or lost or, if not practicable, with limited retrospective application from the beginning of the earliest period for which the application is practicable, which may be the current period.

IFRS 11 *Joint Arrangements* supersedes IAS 31 *Interests in Joint Ventures* and introduces a classification of all joint arrangements either as joint operations, which are consolidated on a proportionate basis, or as joint ventures, for which the equity method is applied.

IFRS 12 *Disclosures of interests in other entities* requires extended disclosures for interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

The adoption of these new and revised standards and interpretations did not have significant effect on the Group's consolidated interim condensed financial statements.

Change in accounting policy for stripping costs

Starting from 1 January 2014, the Group has voluntary changed its accounting policy with respect to the current production stripping costs. It was decided to apply actual stripping ratio instead of average stripping ratio when allocating the current production stripping costs to the cost of ore mined. Under the new method, all current production stripping costs incurred in the period are charged directly to the cost of ore; accordingly, no deferred stripping cost is recognised within work-in-progress.

Management believes that the new policy provides more accurate and relevant information for the users of financial statements.

The above change of accounting policy was applied retrospectively. The impact on the interim condensed consolidated financial statements for the nine months ended 30 September 2014 and as at 31 December 2013 is shown in the table below:

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

	As previously reported	Adjustments	As restated
Statement of profit or loss for the nine months ended 30 September 2013			
Cost of sales	(684 560)	(35 468)	(720 028)
Income tax benefit	66 758	8 801	75 559
Profit/(loss) for the period	**(140 050)**	**(26 667)**	**(166 717)**
Attributable to:			
Shareholders of the Company	(155 137)	(26 667)	(181 804)
Basic and diluted loss per share (US dollars)	(0,41)	(0,07)	(0,48)
Statement of profit or loss and other comprehensive income for the nine months ended 30 September 2013			
Loss for the period	(140 050)	(26 667)	(166 717)
Total comprehensive loss for the period	(245 599)	(26 667)	(272 266)
Attributable to:			
Shareholders of the Company	(258 029)	(26 667)	(284 696)
Statement of financial position as at 31 December 2013			
Inventories	489 369	(53 592)	435 777
Other non-current assets	32 968	(1 466)	31 502
Deferred tax liabilities	71 191	(11 508)	59 683
Accumulated losses	(869 489)	(42 950)	(912 439)
Non-controlling interests	79 074	(600)	78 474
Statement of cash flows for the nine months ended 30 September 2013			
Loss for the period	(140 050)	(26 667)	(166 717)
Income tax benefit	(66 758)	(8 801)	(75 559)
Change in inventory	(56 239)	27 430	(28 809)
Depreciation and amortisation	160 017	8 038	168 055

Critical accounting judgments, estimates and assumptions

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

Renewal of licenses

The Group’s geological research licenses with a carrying value of US$ 71.6 million are partially expired or near expiry term as at 30 September 2014. The licenses mostly relates to Burkina Faso fields. Management is in the process of applying for renewal and has assessed the probability of the renewal of the licenses as high. The interim condensed consolidated financial statements are prepared based on management’s expectation that either the term of all such licenses will be renewed, or the Group will obtain an exploration and production licenses for the same areas. Management’s estimate is based on competitive advantage of the Group and historical experience of renewal of the licenses in Burkina Faso. If the expired or near expiry licenses are not renewed the Group will have to write off costs incurred in connection with the projects.

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.

There has been no material changes in the risk profile compared to the risk management disclosed in the 2013 integrated report.

3. SEGMENT REPORTING

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

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

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

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

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

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

Segment financial performance

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

	Nine months ended 30 September		Three months ended 30 September	
	2014	2013	2014	2013
Sales				
Neryungri and Aprelkovo	100 985	97 567	47 376	44 129
Suzdal and Balazhal	69 984	82 832	23 453	32 033
Buryatzoloto	115 139	103 425	43 193	30 761
Berezitovy	118 303	120 660	41 456	36 684
Taparko	113 353	113 112	31 151	29 315
Lefa	182 726	170 857	70 819	63 840
Bissa	261 271	253 990	87 296	88 558
Total	**961 761**	**942 443**	**344 744**	**325 320**

	Nine months ended 30 September		Three months ended 30 September	
	2014	2013	2014	2013
Normaised EBITDA by segment				
Neryungri and Aprelkovo	28 322	14 286	15 590	7 262
Suzdal and Balazhal	26 991	38 797	8 260	14 967
Buryatzoloto	39 744	23 160	16 205	7 204
Berezitovy	57 854	46 168	21 577	12 502
Taparko	48 998	40 430	11 840	6 652
Lefa	47 276	(16 503)	23 741	(4 193)
Bissa	165 789	169 252	55 760	57 674
Burkina Faso Greenfields	(165)	(899)	16	(141)
Russian Greenfields	(152)	(281)	(1)	(148)
Normalised EBITDA of other companies	(23 189)	(21 112)	(6 332)	(5 827)
Total	**391 468**	**293 298**	**146 656**	**95 952**

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

	Nine months ended 30 September		Three months ended 30 September	
	2014	2013	2014	2013
Profit/(loss) for the period	130 582	(166 717)	56 914	23 240
Income tax expense/(benefit)	34 476	(75 559)	16 825	(3 493)
Finance income	(2 349)	(5 146)	(1 080)	(4 850)
Finance costs	79 712	49 844	25 902	18 621
Depreciation and amortisation	150 001	168 055	51 441	60 851
Impairment of tangible and intangible assets	15 962	314 127	324	75
Net (income)/loss on disposal of property, plant and equipment	(715)	1 053	242	400
Work-in-progress impairment/ (utilisation of impairment) recognised in cost of sales	(18 162)	7 495	(4 409)	-
Other (income)/expenses	1 961	146	497	1 108
Normalised EBITDA for the period	**391 468**	**293 298**	**146 656**	**95 952**

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

4. SALES

	Nine months ended 30 September		Three months ended 30 September	
	2014	2013	2014	2013
By product				
Gold	956 003	937 295	342 732	323 818
Silver	5 758	5 148	2 012	1 502
Total	**961 761**	**942 443**	**344 744**	**325 320**

	Nine months ended 30 September		Three months ended 30 September	
	2014	2013	2014	2013
By customer				
Switzerland: Metalor Technologies S.A.	375 123	449 934	118 507	149 905
Russia: VTB	182 726	170 857	70 819	63 840
Switzerland: MKS Finance S.A.	147 947	137 108	59 452	46 180
Russia: NOMOS bank	187 788	120 660	64 849	36 684
Russia: Sberbank	68 177	63 884	31 117	28 711
Total	**961 761**	**942 443**	**344 744**	**325 320**

5. GENERAL AND ADMINISTRATIVE EXPENSES

	Nine months ended 30 September		Three months ended 30 September	
	2014	2013	2014	2013
Wages and salaries	24 889	23 093	7 595	7 234
Professional services	12 960	14 665	3 529	4 808
Social security costs	3 371	3 109	922	725
Depreciation and amortisation	2 042	583	817	226
Materials and consumables	969	989	297	367
Change in bad debt allowance	404	84	28	(62)
Other expenses	2 530	3 725	622	910
Total	**47 165**	**46 248**	**13 810**	**14 208**

For the nine months ended 30 September 2014 key management's remuneration, representing short-term employee benefits, amounted to US$ 6.1 million (nine months ended 30 September 2013: US$ 6.0 million).

6. FINANCE INCOME AND COSTS

	Nine months ended 30 September		Three months ended 30 September	
	2014	2013	2014	2013
Finance income				
Foreign exchange gain	-	3 146	-	3 887
Interest income	2 349	2 000	1 080	963
Total	**2 349**	**5 146**	**1 080**	**4 850**
Finance costs				
Interest expenses	(40 504)	(36 406)	(12 782)	(12 037)
Foreign exchange loss	(23 826)	-	(10 985)	-
Other	(15 382)	(13 438)	(2 135)	(6 584)
Total	**(79 712)**	**(49 844)**	**(25 902)**	**(18 621)**

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

During the nine months ended 30 September 2014 other finance costs include US$ 7.1 million of loss related to the discontinuance of hedge accounting (Note 11) and US$ 3.4 million of royalties related to Bissa operations.
During the nine months ended 30 September 2013 other finance costs include US$ 3.2 million of costs related to High River Gold Mines Ltd. outstanding shares buy-out offering transaction and US$ 4.2 million of royalties related to Bissa operations.

7. INCOME TAX

Income tax is accrued based on the estimated average annual effective income tax rate of 20.9% (2013: 31.2%). The following factors mostly affected the decrease of the effective tax rate in 2014:

- Decrease of Lefa's result share in profit before income tax during the nine months ended 30 September 2014, which is subject to income tax rate of 30%;
- Decrease of the amount provided for tax contingencies, mainly in respect of Taparko.

8. EARNINGS PER SHARE

Basic earnings per share for the nine months ended 30 September 2014 were based on the income attributable to shareholders of the Company of US$ 113.8 million (nine months ended 30 September 2013: loss of US$ 181.8 million) and a weighted average number of outstanding ordinary shares of 378.1 million (30 September 2013: 378.1 million), calculated as per below (in million of shares):

	Issued shares	Weighted average number of shares
1 January 2013	**378.053**	**378.053**
Shares issued in March 2013	0.069	0.051
30 September 2013		**378.104**
1 January 2014	**378.122**	**378.122**
30 September 2014		**378.122**

9. RELATED PARTY TRANSACTIONS AND BALANCES

Transactions with entities under common control were the following:

	Nine months ended 30 September		Three months ended 30 September	
	2014	**2013**	**2014**	**2013**
Operating expenses	3 305	9 386	871	1 858
Capital expenditures	7 228	12	148	-

Capital expenditures mostly relate to SAP implementation.

As at 30 September 2014, balances with entities under common control included accounts payable of US$ 4.2 million (31 December 2013: US$ 5.3 million), which are to be settled in cash.

10. PROPERTY, PLANT AND EQUIPMENT

During the nine months ended 30 September 2014, the Group acquired items of property, plant and equipment for US$ 108 168 thousand (nine months ended 30 September 2013: US$ 137 236 thousand).

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

11. BORROWINGS

Short-term borrowings:

	30 September 2014	31 December 2013
Bank loans	-	301 015
Accrued interest	13 136	5 602
Derivative financial instruments	-	20 749
Unamortised balance of transaction costs	-	(688)
Total	**13 136**	**326 678**

The decrease in short-term borrowings as at 30 September 2014 was due to re-financing of Sberbank loans received in 2012.

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

Long-term borrowings:

	30 September 2014	31 December 2013
Notes and bonds issued	499 000	500 000
Bank and other credit organisations financing	500 000	132 591
Derivative financial instruments	-	13 954
Unamortised balance of transaction costs	(11 146)	(5 266)
Total	**987 854**	**641 279**

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

In March 2014, the Company received a US$ 500 million non-revolving loan facility from Sberbank denominated in US dollars, maturing in March 2019. The loan repayment starts in June 2016. The loan bears interest at a variable rate of 3-month LIBOR + 2.95% per annum payable on a quarterly basis. The proceeds were partially used for re-financing of Sberbank loans received in 2012.

As at 30 September 2014, loan facility from Sberbank was secured by the following shares in the Group's subsidiaries:

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

The carrying value of the pledged entities' net assets amounted to US$ 865.8 million.

The fair value of debt instruments approximated their carrying value at 30 September 2014, except for the fair value of notes which had a market value of US$ 481.0 million (31 December 2013: US$ 474.7 million).

12. LONG-TERM FINANCIAL INVESTMENTS

As at 30 September 2014, the Group's long-term financial investments included the following:

- 2.0% equity interest in Detour Gold Corporation, valued at US$ 24.2 million (31 December 2013: 2.6% valued at US$ 11.9 million) held by the Group's Canadian subsidiary;
- US$ 14.5 million of advances paid to Columbus Gold Corporation for the bankable feasibility study, as a requirement of the Option agreement to acquire 50.01% stake in Montagne d'Or gold mining project in French Guiana. Nord Gold may earn the option by completing a bankable feasibility study and by expending not less than US$ 30 million in 3 years in staged work expenditures;
- Other individually immaterial investments of US$ 7.9 million (31 December 2013: US$ 4.6 million) represented by a number of holdings in gold exploration and mining companies.

13. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 30 September 2014, the Group had contractual capital commitments of US$ 8.1 million (31 December 2013: US$ 18.3 million).

Operating environment

Starting from March 2014, sanctions have been imposed in several packages by the U.S. and E.U. on certain Russian officials, businessmen and companies. In addition, in April 2014 credit agency Standard & Poor's downgraded Russia's long-term foreign currency sovereign rating from BBB to BBB- with a negative outlook. Previously, Fitch credit agency has also revised Russia's creditworthiness outlook from stable to negative. These events, including official sanctions, particularly if further extended, may adversely affect the Russian economy through reduced access of the Russian businesses to international capital and export markets, capital flight, weakening of the Rouble and other economic consequences. The impact of these developments on the operations and financial position of the Group's Russian subsidiaries is difficult to predict at this stage. No impact is expected on the Group's subsidiaries located in other countries.

Tax contingencies

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

Russian Federation and Kazakhstan

At 30 September 2014, management assessed the total amount of potential claims from Russian and Kazakhstan tax authorities at US$ 24.5 million, of which US$ 1.8 million was accrued in these interim condensed consolidated financial statements.

Burkina-Faso and Guinea

At 30 September 2014, management assessed the total amount of potential claims from Burkina Faso and Guinean tax authorities at US$ 20.1 million, of which US$ 5.6 million was accrued in these interim condensed consolidated financial statements.

Other jurisdictions

Guinor, a subsidiary of the Group, which is a Canadian tax resident, is exposed to tax risks up to US$ 14.6 million. Management assesses the probability of unfavorable outcome of this risk as medium.

14. EVENTS AFTER THE REPORTING PERIOD

In October 2014 the Group acquired 100% interest in Goldrush Burkina S.A.R.L., an owner of a late stage exploration project located 10 kilometers northwest of Bissa mine in Burkina Faso, for a cash consideration of US$ 4.3 million.