



27 September 2012

Zhongrun to invest A\$84.7m in Noble

Highlights

- Significant investment in Noble by Zhongrun, a major non-government Chinese mining and investment group
- Zhongrun to invest A\$84.7m in Noble via a placement to be executed in two tranches:
 - 101.8m shares to be issued at A\$0.16 per share
 - 380.0m shares to be issued at A\$0.18 per share
- Zhongrun to be issued with options over an additional 240.9m shares in Noble, exercisable at a price of A\$0.23 per share
- Funds to be utilised to accelerate Bibiani ramp-up to reach Noble's production target of +150koz p.a., meet existing liabilities and grow the Company's resource base
- As a fully-funded, ungeared and unhedged gold producer, Noble will be well placed to unlock the potential of Bibiani as well as capitalise on other growth opportunities
- Formation of a long-term strategic partnership with Zhongrun to facilitate sharing of technical and operational expertise for the benefit of both groups
- Following completion of both placement tranches, Zhongrun will own 41.5% of Noble's pro-forma share capital on an undiluted basis
- Exercise of the Zhongrun options would see a further A\$55.4m invested into Noble and result in Zhongrun owning 51.6% of Noble's pro-forma share capital on an undiluted basis

Overview

Noble Mineral Resources Limited (ASX: NMG) ("Noble" or the "Company") is pleased to announce that it has entered into binding agreements with the Zhongrun Group ("Zhongrun"), a major non-government Chinese mining and investment group, whereby Zhongrun will invest A\$84.7m in Noble and become the Company's largest shareholder.

Under the terms of the agreements, Zhongrun will subscribe for new ordinary shares in Noble via a conditional placement to be executed in two separate tranches: (i) 101.8m shares to be issued at A\$0.16 per share, representing an investment of A\$16.3m; and (ii) 380.0m shares to be issued at A\$0.18 per share, representing an investment of A\$68.4m. As part of Tranche 2, Zhongrun will also

be issued with options providing Zhongrun with the opportunity to subscribe for an additional 240.9m shares in Noble at a price of A\$0.23 per share over a three year period.

The shares to be issued under Tranche 1 and Tranche 2 (and the shares to be issued on the exercise of the Tranche 2 options) will be fully paid ordinary shares and will rank pari passu with all shares in Noble currently on issue.

Tranche 1 is conditional on obtaining approval under Listing Rule 7.1 at a Noble shareholder general meeting to be held in late October 2012. Tranche 2 is conditional on obtaining approval under section 611 (item 7) of the *Corporations Act 2001* (Cth) at a Noble shareholder general meeting, Zhongrun shareholder approval, certain Chinese regulatory approvals (as discussed further below) and the lodgment of a prospectus with the Australian Securities and Investments Commission (ASIC). Completion of the Tranche 2 subscription is expected to occur in January 2013.

Following completion of both tranches of the placement, Zhongrun will own 41.5% of Noble's pro-forma share capital on an undiluted basis. Exercise of the Zhongrun options would see a further A\$55.4m invested into Noble and result in Zhongrun owning 51.6% of Noble's pro-forma share capital on an undiluted basis.

The funds raised by Noble will be used to accelerate and complete commissioning of Noble's flagship Bibiani project, meet all existing liabilities, progress further development of Bibiani and Noble's other assets, and potentially pursue other organic and inorganic growth options. Following the investment, Noble will be a fully-funded, ungeared and unhedged gold company with a clear pathway to production of + 150koz p.a. from Bibiani, and a strong platform to pursue future growth opportunities, with the benefit of a supportive strategic shareholder and partner.

Noble's Chairman Tunku Naquiyuddin said: *"Zhongrun has committed to making a very substantial investment into Noble, which will provide us with the financial strength and flexibility to bring Bibiani into full production and maximise its value for the benefit of all parties. The formation of the partnership with Zhongrun follows careful evaluation of all Noble's available funding and strategic options and we are confident that it represents the optimal outcome for shareholders and delivers both attractive value and certainty. Zhongrun brings financial and technical capabilities to the partnership that we believe will be highly complementary to the Noble team. We look forward to working with Zhongrun to maximise the value of Bibiani and pursue other regional growth opportunities."*

Zhongrun's Chairman Zheng Fengwen said: *"Zhongrun is very pleased to be able to partner with Noble at this very important time in the development of both our companies. We believe that Zhongrun has the financial and operational capacity to help Noble through this critical stage in Bibiani's development and that our involvement will create value for all parties. We look forward to supporting Noble's board and management as they complete the commissioning of Bibiani and progress our shared vision of developing a significant international gold mining company."*



Background to the Transaction

On 30 July 2012, Noble announced that it was actively reviewing its options for raising additional funding and had received a number of approaches from third parties around potential corporate and strategic transactions. Noble also announced that it had engaged Rothschild as financial adviser to assist it with evaluating the approaches received and the various alternatives available to the Company. On 12 September 2012, Noble announced an A\$11m equity raising to provide interim financing for Bibiani while discussions with interested parties were progressed.

The strategic partnership with Zhongrun announced today represents the culmination of this process and follows extensive discussions with a broad range of parties who expressed interest in investing in Noble. The strong level of interest received reflects the underlying quality of the Bibiani project as well as the significant progress made by Noble management in the short time period since assuming operational control of Bibiani in 2010.

Together with Rothschild, Noble has carefully evaluated all proposals received as well as the alternatives, and concluded that the Zhongrun investment represents the most attractive available outcome for Noble shareholders, delivering both value and certainty. The investment by Zhongrun will comprehensively deal with Noble's funding requirements and provide the Company with the financial flexibility to maximise the value of its current assets as well as pursue other value accretive opportunities, with the benefit of a supportive strategic shareholder and partner.

Transaction Details

The placement to Zhongrun will be undertaken in two separate tranches:

Tranche 1

- Pursuant to a Subscription Agreement dated 26 September 2012, Zhongrun International Mining Co., Ltd. has agreed to invest A\$16.3m in Noble by subscribing for 101.8m ordinary shares in Noble at a price of A\$0.16 per share (a 33% premium to Noble's last traded share price prior to entering suspension)
- Tranche 1 is conditional on Noble obtaining shareholder approval for the issue of up to 15% of the Company's share capital under Listing Rule 7.1, which is expected to occur in late October 2012
- On completion of Tranche 1, Noble has agreed to appoint two nominees of Zhongrun to the board of Noble
- The Subscription Agreement for Tranche 1 is on terms and conditions not unusual for a transaction of this nature, including warranties from the Company to Zhongrun International Mining Co., Ltd. and restrictions on the Company's conduct in the period until completion of Tranche 2



Tranche 2

- Pursuant to a Subscription Agreement dated 26 September 2012, Zhongrun Real Estate Group (Hong Kong) Ltd has agreed to invest A\$68.4m in Noble by subscribing for 380.0m ordinary shares in Noble at a price of A\$0.18 per share (a 50% premium to Noble's last traded share price prior to entering suspension)
- Zhongrun is also to be issued with options to subscribe for an additional 240.9m shares in Noble over three years and at a price of A\$0.23 per share (a 92% premium to Noble's last traded share price prior to entering suspension)
- Tranche 2 is subject to a number of conditions including:
 - Completion of Tranche 1 (and the lodgement with ASIC of a prospectus to permit the shares issued pursuant to Tranche 1 to be freely tradeable);
 - Zhongrun obtaining certain Chinese regulatory approvals (Shandong Provincial and National Development and Reform Commission, Ministry of Commerce and the State Administration of Foreign Exchange);
 - Noble shareholder approval for the purpose of section 611 (item 7) of the *Corporations Act 2001* (Cth) (with such notice of general meeting to be accompanied by an Independent Expert's Report);
 - Zhongrun Resources Investment Corp. shareholder approval; and
 - The lodgement of a prospectus with ASIC.
- On completion of Tranche 2, Noble has agreed to appoint a third nominee of Zhongrun to the board of Noble (providing Zhongrun with three nominees on an expanded seven member board)
- After completion of both tranches of the placement, Zhongrun will own 41.5% of Noble's pro-forma share capital on an undiluted basis
- Exercise of the Zhongrun options would see a further A\$55.4m invested into Noble and result in Zhongrun owning 51.6% of Noble's pro-forma share capital on an undiluted basis
- The Subscription Agreement for Tranche 2 is on terms and conditions not unusual for a transaction of this nature, including warranties from the Company to Zhongrun Real Estate Group (Hong Kong) Ltd. and restrictions on the Company's conduct in the period until completion of Tranche 2



Use of Proceeds

Noble plans to use the funds raised via the Zhongrun investment to:

- Accelerate and complete the commissioning of the Bibiani processing plant, including outstanding capital expenditure;
- Fund working capital and exploration activities at Bibiani;
- Meet existing Noble liabilities, including trade creditors and the Investec project loan; and
- Investigate further organic and inorganic growth options.

Indicative Timetable

Noble shareholders will be asked to approve Tranche 1 of the Zhongrun investment at a general meeting of shareholders to take place in late October 2012, at which certain resolutions in relation to the recent A\$11m capital raising will also be put to shareholders. A notice containing all relevant details of this meeting will be sent to Noble shareholders shortly.

Zhongrun has indicated that it intends to hold a meeting of Zhongrun Resources Investment Corp. shareholders during October 2012, at which approval for Tranche 2 will be sought from its shareholders.

Tranche 2 of the Zhongrun transaction is subject to fulfillment of various other conditions (as summarised above), including Noble shareholder approval for the purpose of section 611 (item 7) of the *Corporations Act 2001* (Cth). A notice of meeting (including an Independent Expert's Report) will be sent to all Noble shareholders in due course advising the date and location of the meeting.

About Zhongrun

Zhongrun International Mining Co., Ltd. is a wholly owned subsidiary of Zhongrun Resources Investment Corp., a public company based in Jinan, Shandong Province in the People's Republic of China.

Zhongrun Resources Investment Corp. is listed on the main board of the Shenzhen Stock Exchange and is engaged in mineral resources exploration, development, and equity investment in companies with precious and non-ferrous metals projects. Zhongrun Resources Investment Corp. operates its business mainly in Jinan, Zibo and Weihai, Shandong Province, as well as Sichuan Province, Inner Mongolia and Tibet. It is also the major shareholder of several public mining companies listed on the Toronto Stock Exchange and London Stock Exchange. The market value of Zhongrun Resources Investment Corp. is RMB¥6.836billion (approx. US\$1.085 billion) as at 24th September 2012.



Shandong Zhongrun Real Estate Group Ltd. is the single shareholder of Zhongrun Real Estate Group (Hong Kong) Ltd. Focused on capital investments, it is one of the largest privately owned enterprises operating in Shandong Province and also the largest shareholder of Zhongrun Resources Investment Corp., holding more than 47% of its shares.

Advisers

Rothschild is acting as financial adviser to Noble and Ashurst Australia is acting as legal adviser to Noble.

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Contacts:

Noble:

Wayne Norris
Managing Director
Tel: +61 (0) 8 9474 6771
Email: admin@nobleminres.com.au

Rothschild:

Sam Brodovcky
Director
Tel: +61 (0) 2 9323 2030
Email: sam.brodovcky@rothschild.com

Media:

Annette Ellis/ Warrick Hazeldine
Cannings Purple Communications
Tel: +61 (0) 8 6314 6300
Email: AEllis@canningspurple.com.au / WHazeldine@canningspurple.com.au



About Noble Mineral Resources Limited

Noble Mineral Resources Limited listed on the Australian Stock Exchange on 26th June 2008 with a focus on exploring for large-scale gold deposits in the world-class Ashanti Gold Belt in Ghana, West Africa. In November 2009, the Company entered into an agreement for the acquisition of the **Bibiani Gold Mine**, a project located in the Sefwi-Bibiani Gold Belt in Ghana, host to over 30 Million Ounces of gold. On July 20th 2010 the final Share Transfer Form was executed to consummate the purchase.

Noble's other primary gold concessions are Exploration Licences at **Cape Three Points, Brotet and Tumentu**, which cover some 141.3km² and all are located within the world-class Ashanti Gold Belt in south western Ghana. Ghana is the second largest gold producer in Africa and is the 10th largest gold producing nation in the world, with annual production of approximately 3.2 Million Ounces. Noble's ongoing focus will be to expand the drilling program at Bibiani to target new shallow resources near the Bibiani Mine and adjacent tenements while still progressing the **Cape Three Points, Brotet and Tumentu** concessions within the Southern extension of the Ashanti Gold Belt. Initial exploration at Cape Three Points will be targeted towards the **Satin Mine Project** and the **Morrison Project**, both of which lie in an area of historic underground gold exploration. Noble believes that there is significant potential for the delineation of additional high-grade gold mineralisation relating to the down-plunge and strike extension to these zones. When added to the potential now available at Bibiani it will place Noble in a strong position to achieve its goal in building Australia's next major gold mining house.

The Company recognises the **Bibiani, Cape Three Points, Brotet and Tumentu** concessions are relatively under-explored, highly prospective projects and aims to rapidly redefine JORC-compliant resources for development.

ASX Code: NMG

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