

June 2013 Quarterly Activities Report

HIGHLIGHTS

Corporate

- Mr Craig Dawson commenced in the role of Managing Director and Chief Executive Officer.
- Leading corporate advisers Ferrier Hodgson were appointed to provide independent advice on Noble's strategic options, funding requirements, and to assess the Company's solvency. As at the date of this Report Ferrier Hodgson have not changed their opinion on solvency.

Strategic Review

- Surface mining operations at Bibiani remain suspended while a review of the operational strategy is undertaken.
- Working with Ghanaian authorities and stakeholders to implement a new operational strategy focussed on a future underground operation.
- The role of the Joint Technical and Operating Committee concluded following the presentation of findings to Mr Dawson.

Bibiani Operations

- 81,441 tonnes of ore mined at 1.36 g/t Au in the quarter.
- 5,852 oz's gold produced (Reconciled, April - June 2013).
- SAG mill motor failure repaired and recommissioned in September Quarter.



Operations

Surface mining operations at the Bibiani Gold Mine (**Bibiani**) remain suspended while Ferrier Hodgson and the Management of Noble Mineral Resources Ltd (**Noble** or the **Company**) complete a strategic review of Noble and its subsidiaries with a view to implementing a revised operational strategy.

The Joint Technical and Operating Committee (**JTOC**) which was formed with executives from both Noble and its major shareholder, Resolute Mining Limited, has completed its review of operations. The role of the JTOC was concluded following the presentation of its findings to Mr Dawson.

Noble's subsidiary Noble Gold Bibiani Ltd (**NGBL**) has notified the Ghanaian Minerals Commission of the suspension of surface mining operations and continues to engage with in-country stakeholders. Approvals are being sought from the Ghanaian Minerals Commission and Environmental Protection Agency (**EPA**) for access to the historical underground workings at Bibiani to facilitate the commencement of diamond drilling as part of proposed feasibility studies into the viability of an underground operation.

Preliminary assessments support the potential for a profitable underground operation utilising NGBL's existing infrastructure and identified underground exploration potential of the Bibiani resources.

Noble is working to define the most expedient exploration, development, and regulatory pathway for a transition to underground mining operations and Management has presented an initial Conceptual Business Case proposal to the Board. Subject to the securing of the required funds to move the operation forward, the transition is expected to require a further period of limited operations while exploration and feasibility study activities are undertaken.

The Conceptual Business Case proposal indicated that additional funding will be required by Noble and its Ghanaian subsidiaries to complete the required exploration, study and development activity for an underground mining operation. Noble continues to assess funding alternatives which include ongoing discussions with its financial advisers, Ferrier Hodgson and with Resolute Mining Limited, Noble's major shareholder and the holder of the majority of Noble's listed convertible notes.

Safety

There were no lost time injuries during the June quarter. The year-to-date lost time injury frequency rate at the end of June quarter was 1.04 (based on one million man hours). Safety monitoring has been intensified to ensure ongoing adherence to the Noble group's HSE rules.



Production Summary

Quarter	Ore Mined (t)	Mine Grade (g/t)	Total Mined (t)	Ore Milled (t)	Mill Grade (g/t)	Mill Recovery (%)	Total Production (Gold Oz)
Jun 2013	81,441	1.36	730,327	92,806	2.25	87.0	5,852
Mar 2013	261,101	1.38	2,560,947	274,606	1.34	86.7	10,283
Dec 2012	255,000	0.81	2,767,831	332,029	0.94	84.2	8,440
Sep 2012	315,213	0.94	1,957,809	334,876	0.88	77.6	7,322

Mining

During the June quarter, mining was concentrated around the Aheman, Strauss and Strauss South deposits, until the suspension of surface mining operations on 13 May 2013. Mill feed was augmented by the processing of tailings material which requires less crushing. A total of 730,327 tonnes of material was mined including 81,441 tonnes of ore. The average ore grade for the quarter was 1.36 g/t Au.

Processing

The procurement of equipment, spares and consumables required to complete refurbishment and recommissioning of the 3Mtpa Bibiani Processing Plant was progressed, albeit at a substantially reduced rate during the quarter.

Processing operations in the June quarter were impacted by the failure of the SAG mill motor in March. As an interim measure the SAG mill was bypassed and ore was processed through the ball mill only, albeit at a lower throughput. A mobile crusher was utilised during this period to enable the processing of harder ore. The SAG mill motor that was sent to France for repairs was returned, re-installed and partly recommissioned during the quarter.

Due to the impact of the SAG mill motor failure, the suspension of surface mining operations and as part of the cost saving initiatives introduced in the operational review, the process plant undertook campaign milling on a 3 x 8hr shift, 5 days a week roster. Processing was subsequently put on hold whilst a revised operating strategy is being finalised.

Underground Resource Drilling

Resources that are interpreted to be accessible by underground mining methods currently exist at Bibiani. Planning is underway to design a drilling program in order to re-categorise a large portion of these resources into an underground ore reserve. Subject to receiving EPA approval and the securing of the necessary funding, drilling could begin in the December quarter and lead to the establishment of an underground mining operation.



Contractor Engagement

As part of the strategic review the Company has been determined that, in principle, all future drilling and mining activities will be outsourced to contracting groups. All surplus mining and drilling equipment currently owned by Noble's Ghanaian subsidiaries is to be sold, which is expected to provide more flexibility with regards to future operational strategies.

Exploration

All surface exploration drilling has been suspended in order to conserve available funds. As noted above, as part of the strategic review it has been determined, in principle, that all future drilling activities will now be outsourced to suitable drilling contractors.

Corporate

Ferrier Hodgson Appointed as Adviser

As announced to the ASX on 13 May 2013, Noble engaged Ferrier Hodgson as its independent corporate and financial adviser to provide independent advice to Noble, with the initial scope of work being to assist Noble review the near-term funding requirements relating to its revised strategy and provide recommendations.

Noble has now received a series of reports from Ferrier Hodgson, which set out a number of preliminary findings and strategic options that Noble is currently considering. The Phase 1 Report, based on an analysis of the Company's financial position as at 30 April 2013, included preliminary findings to support the position, subject to a number of assumptions, that:

- Noble has a positive net working capital position and is solvent; and
- As was foreshadowed in the Company's previous update to ASX on 13 May 2013, Noble and its Ghanaian subsidiaries will however require further funding in the near-term to meet costs forecast to be incurred as a result of the suspension of surface operations and other ongoing costs. That view was based on Noble's own internal cash flow forecasts for the period to December 2013 which is the subject of Ferrier Hodgson's ongoing review.

Ferrier Hodgson continues to work with Noble in:

- Providing advice on the continued assessment of the solvency of Noble, including the review of Noble's internal cash flow forecasts; and
- Progressing with the development of funding strategies.

At the date of this report Ferrier Hodgson has not changed its opinion on the company's solvency.

The Company is considering a number of strategic options in parallel to the operational imperatives being addressed.

On 28 June 2013, Noble requested its shares, options and unsecured convertible notes be placed in a trading halt, and subsequently voluntary suspension, pending an announcement about the financial position and future funding requirements of Noble and its subsidiary companies. Noble is continuing to assess the quantum of additional funding required by it and its Ghanaian subsidiaries and options to reduce or defer its near term expenditure commitments in consultation with Ferrier Hodgson, and will provide further updates to the market as required. Noble's board is of the view that its securities should remain in voluntary suspension until the outcome of this assessment and consultation is known.

Rothschild Dispute

During the quarter, the Company lodged an application with the Supreme Court of Western Australia to set aside a Statutory Demand made by Rothschild Australia Limited (**Rothschild**) in the amount of \$4.7 million. The Statutory Demand relates to a claim for payment of fees to Rothschild by Noble connected to the recent \$85 million underwritten rights issue and placement of listed convertible notes (**Offer**), as detailed in the Company's prospectus dated 23 January 2013. The Company is in dispute with Rothschild as to Rothschild's entitlement to fees. The Company believes that the outcome of this dispute will not have any material adverse impact on the costs of the Offer outlined in that prospectus.

Board and Executive Changes

Mr Craig Dawson commenced in the role of Managing Director and Chief Executive Officer of the Company with effect from 1 June, and reiterated the Company's current focus on transforming Bibiani into a profitable underground mining operation.

During the quarter the Company also advised the resignation of Non-Executive Director Ms Xi Xi in line with previously announced restructuring of the Board.

Suspension from Official Quotation

Subsequent to the end of the quarter, on 1 July 2013, the Company announced a trading halt and subsequent suspension from official quotation on the Australian Securities Exchange for its ordinary shares, unsecured convertible notes and options (ASX codes: NMG, NMGG, NMGO and NMGOA; effective Monday, 1 July 2013).

On 24 July 2013 the Company confirmed that, pursuant to the terms of the Convertible Note Trust Deed entered into between Noble and Australian Executor Trustees Limited (**Trustee**) on 22 January 2013, the Trustee (acting on the instructions of the Majority Holders as defined in the Trust Deed) has



waived the event of default that would otherwise arise under the Trust Deed as a result of Noble's securities remaining in voluntary suspension in these circumstances.

Expiry of Options

After the end of the quarter, the Company announced the expiry of 69,012,233 options (ASX code: NMGOA) exercisable at \$0.35 on 21 July 2013. The options were previously quoted on the Australian Securities Exchange.

ENDS

About Noble Mineral Resources Limited

Noble Mineral Resources Limited (ASX: NMG) is an emerging gold company, focused on exploring and developing gold assets in the goldfields of Ghana, West Africa.

The Bibiani Project, located in the Sefwi-Bibiani Gold Belt in western Ghana and owned by Noble's wholly owned subsidiary Noble Gold Bibiani Ltd, is Noble's flagship asset. The Sefwi-Bibiani Gold Belt is host to a number of existing, large-scale gold mining operations, including the Ahafo and Chirano mines.

In addition to the Bibiani Project, Noble has interests in the Cape Three Points, Brotet, Tumentu and Nakroba exploration projects, all located in the Ashanti Gold Belt in southern Ghana.

Contact

Noble:

Craig Dawson
Managing Director/Chief Executive Officer
Tel: +61 (0) 8 9474 6771
Email: admin@nobleminres.com.au

Erik Palmbachs
Chief Financial Officer
Tel: +61 (0) 8 9474 6771
Email: admin@nobleminres.com.au

Media:

Annette Ellis
Cannings Purple Communications
Tel: +61 (0) 8 6314 6300
Email: aellis@canningspurple.com.au

ASX Code: NMG

www.nobleminres.com.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10

Name of entity

NOBLE MINERAL RESOURCES LIMITED

ABN

36 124 893 465

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

		Current quarter	Year to date (12 months)
		\$US'000	\$US'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	12,542	56,238
1.2	Payments for (a) exploration and evaluation	(870)	(1,812)
	(b) development	(24,057)	(77,074)
	(c) production	-	-
	(d) administration	(9,460)	(29,533)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	80	182
1.5	Interest and other costs of finance paid	(425)	(2,202)
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(22,190)	(54,201)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(677)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	5
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
Net investing cash flows		-	(672)
1.13	Total operating and investing cash flows (carried forward)	(22,190)	(54,873)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(22,190)	(54,873)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	8,662
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	102,139
1.17	Repayment of borrowings	(940)	(42,458)
1.18	Dividends paid	-	-
1.19	Other (convertible note offer costs)	-	(956)
	Net financing cash flows	(940)	67,387
	Net increase (decrease) in cash held	(23,130)	12,514
1.20	Cash at beginning of quarter/year to date	39,799	3,327
1.21	Exchange rate adjustments to item 1.20	(564)	264
1.22	Cash at end of quarter	16,105	16,105

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$US'000
1.23	Aggregate amount of payments to the parties included in item 1.2	161
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Directors' remuneration	161

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$US'000	Amount used \$US'000
3.1 Loan facilities	90,183	84,683
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$US'000
4.1 Exploration and evaluation	(30)
4.2 Development	(5,123)
4.3 Production	-
4.4 Administration	(3,265)
Total	(8,418)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$US'000	Previous quarter \$US'000
5.1 Cash on hand and at bank	2,853	8,261
5.2 Deposits at call	13,252	31,538
5.3 Bank overdraft	-	-
5.4 Other (Debt Service Reserve)	-	-
Total: cash at end of quarter (item 1.22)	16,105	39,799

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities <i>(description)</i>	-	-		
7.2 Changes during quarter: (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 +Ordinary securities	666,397,952	666,397,952		
7.4 Changes during quarter: (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-		
7.5 +Convertible debt securities <i>(description)</i>	708,333,333	708,333,333	Conversion price A\$0.12	Conversion date 1 March 2016
7.6 Changes during quarter: (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	69,012,233 28,985,539 6,000,000 4,250,000 19,271,730 5,000,000 1,140,000 28,125,001	69,012,233 28,985,539 - - - - - -	Exercise price A\$0.35 A\$0.48 A\$0.20 A\$0.40 A\$0.83 A\$0.55 A\$0.31 A\$0.20	Exercise date 21 July 2013 1 May 2015 8 July 2014 19 August 2014 30 November 2014 31 October 2015 4 July 2015 30 September 2015
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: **31 July 2013**
(CFO / Company Secretary (Joint))

Print name: **Erik Palmbachs**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities:** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.