



11 September 2013

Market Update

- **Proposed restructuring of Ghanaian subsidiaries' debt to enhance ability to secure funding for Feasibility Study**
 - **Restructuring of workforce in response to limited operational requirements**
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Noble Mineral Resources Limited (ASX: NMG) provides the following update on the Company and the Bibiani Gold Project:

Strategy to Transition to Feasibility Study phase

As advised previously to the market, mining operations at the Company's Bibiani Gold Project (**Bibiani**) in Ghana have been suspended and the operation is being placed into a Care and Maintenance footing ahead of the intended commencement of a series of Feasibility Studies.

The Bibiani project has a number of strengths, including a substantive resource base; partly developed mine access; installed and well established infrastructure; operating processing plant (albeit with further capital/refurbishment works required); large land holding; greenfields exploration potential; and a local technically skilled workforce.

Additional Funding

To support Bibiani during the planned Feasibility Study and care and maintenance phases the Company estimates that additional funding in the order of US\$40 million will be required.

Discussions with potential lenders / financiers indicate that while the required funding can be secured to complete the Feasibility Studies and support the care and maintenance costs of Bibiani whilst the studies are being undertaken, the liabilities of Noble's Ghanaian subsidiaries, relating to creditors and employee entitlement accruals are an impediment to the securing of the further funding. In consultation with its Financial Advisors, Ferrier Hodgson, Noble has therefore reviewed the available options to restructure the liabilities of its Ghanaian subsidiaries, prior to progressing funding discussions.

Following this review process Noble lodged documents with the High Court of the Republic of Ghana, on Tuesday 10 September 2013, to commence proceedings to restructure the debts of its Ghanaian subsidiaries, Noble Mining Ghana Limited, Noble Gold Bibiani Limited and Drilling & Mining Services Ltd, by way of three concurrent schemes of arrangement (Schemes).

Schemes

Noble will ask the Ghanaian High Court to convene a meeting of Scheme creditors to approve the restructure proposal, and has also applied for a moratorium on claims against the Subsidiaries pending the determination of the Schemes.

Noble proposes that the Schemes will deal with all of the creditors of the Subsidiaries, except for statutory creditors, such as for rates and taxes, and the two largest external creditors, being the Bank of Africa Ghana, the debt of which it is proposed will be satisfied out of its existing security; and Australian Executor Trustees Limited as trustee for the holders of Noble's unsecured convertible notes, which notes have been guaranteed by the Subsidiaries, which it is proposed will agree not to participate in the Schemes. The agreement of the Bank of Africa Ghana and the trustee of Noble's convertible notes to such arrangements are conditions precedent to the Schemes.

Noble will also agree that despite the substantial intercompany debts owed to it by the Subsidiaries, of in excess of US\$270 million, it will not participate under the Schemes, and those intercompany debts will only be recovered after all external creditors are paid under the Schemes.

If the proposed Schemes are approved by Scheme creditors and the High Court, Scheme creditors will receive an upfront payment (totalling about US\$3.6 million) and potential future payments, to repay up to 100% of the debt due to those creditors. Future payments will depend on the results of the proposed Feasibility Studies and the future success of Bibiani.

Noble will continue to keep the market informed of any material developments as to the proposed Schemes, including in due course a copy of the Scheme booklet which will be sent to Scheme creditors and which will contain full details of the operation of the Schemes.

Workforce Restructuring

As a result of Bibiani being placed onto a care and maintenance footing, approximately 683 employees of the local subsidiaries will need to be made redundant, to reduce overheads while the Company attempts to implement the proposed Schemes, and subject to the Schemes being approved by the creditors and the Court, the Feasibility Studies will be carried out.

Those employees considered necessary to support the care and maintenance or Feasibility Study activities will be re-engaged on the basis of short term contracts until such time as the Feasibility Studies have been completed, the viability of Bibiani going forward can be demonstrated and funding for the "new" Project can be secured.

While not ideal, given the current macro-economic environment and financial circumstances of Noble's Ghanaian subsidiaries, the proposed Schemes of Arrangement and the restructuring of the Ghanaian workforce, are considered necessary if the Company is to succeed in securing the requisite funding to restructure Bibiani as a long life profitable operation.



The Company considers that its securities should remain in voluntary suspension until the Schemes are implemented. Noble will continue to keep the market informed of material developments.

ENDS

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