

NORSEMAN GOLD PLC

(“Norseman Gold” or the “Company”)

Three Month Report On Activities For The Period Ended 30 June 2008

Norseman Gold, the AIM listed Australian gold production company, is pleased to announce a three month progress report on its activities for the period to 30 June 2008. Also included is information relating to the last 12 months of results for the operations at the Norseman Gold Mine in Western Australia, the country’s longest continuously producing gold mine.

Overview

- Total production for the quarter of 21,116 ounces from 102,825 tonnes treated. June quarter’s production showed an 11% increase in recovered ounces compared to the previous quarter, and was the best quarterly production since the Company acquired the Norseman mine in April 2007.
- Recovered gold for the full year was 77,229 ounces, within the Company’s forecast range of 75,000 to 80,000 ounces.
- Operations remain un-hedged with an average realised gold price of A\$947 per ounce for the quarter.
- Cash costs continue to fall, with net direct cash operating cost of A\$622 per ounce achieved in the month of June, and A\$741 per ounce for the quarter.
- Capital investment for the quarter totalled A\$8.4 million, including exploration expenditure of A\$1.1 million, mine development of A\$1.0 million, mobile equipment of \$4.3 million, and mine infrastructure of \$1.6 million.
- Convertible note repayment of A\$5.0M made on 30th April 2008. The next A\$5.0M payment of the A\$15.0M of convertible notes remaining is due on 30th April 2009.
- Regional exploration drilling continued on schedule with drilling continuing at the Lady Miller and the Mararoa North Prospects. Resource optimisation is currently being undertaken on a number of resource prospects.
- Regional exploration has identified the potential for the existence of **magnetite rich iron ore deposits** within the Company tenements. Given the width and strike length

of the magnetite rich stratigraphy, and the promising assay results, further investigation of the iron potential on the Company's tenements is warranted.

Operating Review

Production

		<u>3 months to</u> <u>31 December '07</u>	<u>3 months to</u> <u>31 March '08</u>	<u>3 months to</u> <u>30 June '08</u>	<u>12 months to 30</u> <u>June '08</u>
Capital Development	madv	505	321	187	1,361
Ore Development	madv	1,038	1,114	1,166	4,493
Development	t	33,461	27,855	34,042	132,123
Grade	gAu/t	4.13	4.60	3.65	4.35
Mechanised Stoping	t	3,446	5,922	5,537	17,475
Grade	gAu/t	5.37	6.48	9.03	7.11
Airleg Stoping	t	40,961	43,576	50,325	183,186
Grade	gAu/t	8.34	9.41	9.58	8.85
U/G Production	t	77,868	77,353	89,904	332,784
Treated Tonnes	t	115,698	92,573	99,993	422,969
Grade	gAu/t	5.84	6.67	6.76	5.94
Recovery	%	92.0%	96.2%	97.1%	95.6%
Recovered Ounces	ozs	16,552	19,088	21,116	77,229

Gold production from the Norseman mine during the three month period to 30 June 2008 totalled 21,116 ounces and for the year to 30 June 2008, total recovered gold was 77,229 ounces. Of this, the Bullen Mine contributed 48,800 ounces, the Harlequin mine 25,632 ounces and low grade oxide treatment 2,797 ounces. The gold price received during the three month period to 30 June 2008 ranged between A\$916 and A\$981 per ounce, with an average price achieved of A\$947 per ounce. The operations remain unhedged with a gold price of A\$965 per ounce at the date hereof.

The main progress during the quarter was the improved performance at Harlequin, brought about by the continued focus on increasing productivity and the continued development of the high grade Redfin Reef.

The Bullen development continued through the low grade section of the Norseman Reef and the program of developing alternative headings to compensate for the low grade zone continue to provide improved production results.

It remains the Company's objective to increase production through continued operational improvements and the identification and development of a third mine. To achieve this level of production will require resources to be converted into reserves through continued exploration drilling and capital development.

Operating Costs

Industry wide cost pressures continued to impact on the cash costs of the operation with pricing increasing for most of the supplies used on site. Increases in cost were experienced for diesel fuel and steel based inputs, including ground support and grinding media, and reagents.

The Company's personnel continue to apply themselves diligently to reducing the costs of production by reducing consumption of items whilst actively seeking less expensive alternatives. Management is further concentrating on the productivity and efficiency of the operation to assist in the maintenance of unit costs.

As a result and combined with the improvement in production, net direct cash operating costs per ounce for the quarter reduced to A\$741 per ounce, which is a 3% improvement on the same measure in the March quarter and a 22% decrease on the same measure in the December quarter.

With operational improvements now in place, costs continuing to be controlled and at higher levels of production relative to fixed costs, the Company believes cash operating costs should continue to fall. The Company continues to estimate that if consistent production levels of over 8,000 ounces per month can be reached, the cash cost would fall below A\$700 per ounce. For the month of June, where gold production totalled 8,190 ounces, net direct operating cash costs were A\$622 per ounce.

From an accounting profit and loss point of view, the Norseman Project generated a positive operating result over the full quarter. The Project was cash flow negative to the extent of A\$1.5 million, however this included the funding of capital investment in the project to the extent of A\$3.5 million.

The price of diesel fuel, a major cost driver for the operation, continues to pose the biggest single risk in achieving predicted cash costs. The Company therefore continues to actively canvass alternative energy sources in order to minimise this risk.

Cash Balances

The cash balance (excluding bullion) at the end of the period was A\$7.1 million (A\$9.3 million including bullion). Bullion sales for which the cash proceeds were outstanding at period end totalled A\$1.9 million.

In addition to the capital expenditure for the quarter the Company also repaid the first A\$5.0M tranche of its convertible notes. The current total of convertible notes is A\$15.0M with the next A\$5.0M tranche payable 30th April 2009.

Capital Expenditure

A total of A\$8.4 million in capital was invested during the quarter. A\$3.5 million of this was funded from cash flow and the remainder was funded under an equipment financing arrangement with a major equipment supplier.

Significant capital expenditures during the period were made on exploration (A\$1.1million), capitalized mine development (A\$1.0 million), mobile equipment (A\$4.3 million) and mine infrastructure (A\$1.6 million).

New underground mining equipment deliveries, training and commissioning commenced in the last week of March 2008 and continued through April and May 2008. The new equipment has had a positive effect on productivity and operating costs during the June quarter. The intensive training that the Company has provided with the delivery of the new equipment represented a substantial investment in our personnel and the Company believes this will also assist the operations with staff retention.

Tailings Storage

Construction of the new tailings storage facility was completed during the quarter. The construction was completed on schedule and within budget. The final preparation, inspections and licensing is currently being undertaken to allow the commencement of depositing into the facility. The facility has been designed to have the capacity to provide +5 years tailings storage for the operations.

Development

The capital development program at Bullen focussed on the development below the 18 Level on the Bullen Reef and the Norseman Decline below the 330m RL. The Company accepted delivery of the new two boom jumbo during the quarter and has seen an immediate improvement in the productivity from this unit. Unfortunately, the improvement was hampered by a shortage of experienced operators. The Company has

continued to recruit suitable operators and train its own operators within the existing workforce to overcome this issue.

Bullen ore development continued through the quarter in a number of working areas to open up the next series of stoping blocks. The development in the upper levels of the Norseman Reef improved and the development from the 319 Decline, and in particular the 342 m RL, continued to return very promising results.

Harlequin ore development continued driving the high grade Redfin Reef. A majority of the upgrade to the power and ventilation to enable the practical mining of this reef was completed in the June quarter. Ore headings in the new lower area and in the previously mined higher levels of the Redfin Reef have continued to return encouraging results.

Development Exploration

At Harlequin, underground diamond drilling continued the testing of the Redfin Reef. This drilling is now testing the orebody extremities to define the strike extent of the orebody on the currently defined levels. Further drilling on the extensions to the reef below the current depth will not be undertaken until a more suitable drill location can be established following the next phase of decline development. The results from the latest holes include;

- 0.76m @ 4.14 g/t gold from 158.80m in drill-hole HD1678
- 0.18m @ 17.06 g/t gold from 111.50m and
- 2.20m @ 23.54 g/t gold from 113.70m in drill-hole HD1694
- 0.20m @ 45.30 g/t gold from 123.50m in drill-hole HD1697
- 0.76m @ 4.14 g/t gold from 158.80m in drill-hole HD1678
- 0.75m @ 19.15 g/t gold from 177.30m in drill-hole HD1699

The Company is waiting on assay results for further completed drill holes. The drilling into the Redfin Reef as part of this program is expected to continue into the September quarter.

Bullen diamond drilling focussed on the Norseman Footwall Reef above the 283m RL and the northern side of the Mt Barker Fault. Significant intersections received to date include;

- 0.35m @ 12.32 g/t gold from 3.60m in drill-hole BN496
- 0.20m @ 7.96 g/t gold from 213.45m in drill-hole BN504

There are now assays pending on a significant number of completed holes at Bullen and efforts are being made to reduce the backlog in the coming quarter. The drilling in the September quarter will continue to focus on the Norseman Reef and the Mt Barker Fault above the 250m RL.

Regional Exploration & Project Development

The regional exploration focus was based around the previously described drilling programs conducted at the Lady Miller area and the Mararoa Reef to the north of the Regent Shaft.

At Lady Miller, significant intersections have been received including:

- 5.00m @ 1.17 g/t gold from 25.00m in drill-hole LMRC010
- 21.00m @ 2.40 g/t gold from 107.00m in drill-hole LMRC012, including
 - 10.00m @ 4.15 g/t gold from 107.00m
- 10.00m @ 5.27 g/t gold from 80.00m in drill-hole LMRC021

Latest drilling at Lady Miller included three diamond holes and 7 reverse circulation holes designed to test the potential plunge extension of the high grade ore shoot detected in previous drilling. All holes have been logged and assays submitted with no assay results yet received.

At Mararoa North, significant intersections have been received including:

- 2.00m @ 6.25 g/t gold from 56.00m in drill-hole S4563P
- 2.00m @ 7.87 g/t gold from 106.00m in drill-hole S4575P
- 2.00m @ 2.48 g/t gold from 68.00m in drill-hole S4581P

The Mararoa North near surface results are currently being compiled to determine further work. During the quarter 11 diamond holes were completed in this prospect to follow up on previously drilled deeper intersections. Currently the core has been logged and sampled with no assay results received as yet.

At Groundlark, significant intersections have been received including:

- 5.00m @ 1.35 g/t gold from 56.00m in drill-hole S4556P
- 6.00m @ 1.20 g/t gold from 30.00m in drill-hole S4561P

A drill program has been designed to further test the northern extent of the Groundlark prospect in the vicinity of the projected intersection of the Mt Barker Fault and the Norseman Reef.

At Slippers significant intersections have been received including:

- 4.00m @ 1.82 g/t gold from 86.00m in drill-hole SLRC030
- 10.00m @ 3.83 g/t gold from 50.00m in drill-hole SLRC035
- 10.00m @ 2.02 g/t gold from 65.00m in drill-hole SLRC040
- 4.00m @ 10.27 g/t gold from 65.00m in drill-hole SLRC041

The Slippers results are to be updated into the Slippers resource calculations and then analysed to determine the next phase of exploration work to be conducted on this project.

A further drill program is scheduled targeting below the northern part and to the north of the historic North Royal open pit to follow up on an inferred resource located in this area. The prospect has the potential to deliver a near surface resource that could be mined by open pit methods.

The exploration effort for the coming quarter will be to upgrade the reserve category of known mineralisation and particularly resources within close haulage distance of the treatment plant. This will allow pit optimisations to be conducted to determine what further work is required to bring each prospect up to a standard so that final mine design work can be completed.

The Company's exploration team continues to work methodically through the large number of prospects identified on the leases validating data related to the prospects so that they can be ranked in order of priority for further investigation in upcoming drill programs. There are currently 10 exploration drilling programs relating to prospects on the Company's tenements that have been developed and are awaiting various stages of approval before commencement. This progress is clearly vindicating the Company's belief in the potential substantial endowment of the Norseman field that remains to be exploited.

Norseman Iron Ore

Recent exploration work at Norseman has indicated that the potential exists within a number of sedimentary iron formation ("SIF") units within the Noganyer Formation to host magnetite rich iron deposits that may be able to be upgraded into a saleable product. The SIF units are in close proximity to the existing Norseman infrastructure, within 10

kilometres of an existing iron ore capable rail line and 170 kilometres to the Esperance Port. This makes Norseman an attractive location for the development of a potential magnetite iron deposit which the Company believes has a grade in the vicinity of 25-35% iron (“Fe”) with the potential for beneficiation of up to 70% Fe.

Lady Miller Fe-Au

The potential for high grade magnetite contained within the north striking and 40° east to west dipping SIF units like those drilled at Lady Miller has been identified historically at Norseman. Recent gold exploration drilling at Lady Miller, which intersected the SIF unit, has confirmed the presence of magnetite where geological logging has defined a 30 – 40 metre wide SIF unit over a 400 metre strike length.

Ninety two samples from the recent gold exploration RC percussion drilling have been submitted for Fe suite analysis followed by the separation of magnetic and non-magnetic fractions using the Davis Tube. It should be noted that the original objective of this drilling was to help define a gold resource which historically is located within the SIF.

A recent angled diamond drilling program designed to test gold mineralisation in the SIF at Lady Miller has confirmed the presence of magnetite in the SIF between 109 metres and 146 metres vertical depth in hole LM27. The same SIF extends to surface.

Limited available historical Fe assays indicate the Lady Miller SIF contains 22% Fe and 44% SiO₂ over a 23 metres true width whereas surface sampling indicates 31% Fe. Values have been recorded up to 36% Fe (in diamond drilling) and 54% Fe (surface sample). Historically, the SIF units have been explored and mined as gold orebodies, with only minimal investigation as to their iron ore potential. The gold focused open pits mined only that part of the SIF unit that contained the gold bearing material.

Initial assay results have been received for the ninety two samples taken from the drilling for gold mineralisation at the Lady Miller prospect. The samples were taken over selected intervals where logging had identified magnetite and aimed to focus on the primary setting of the magnetite in the fresh Lady Miller and Atlee SIF. Unfortunately significant recent RC drill intersections into the fresh rock were limited. The table below shows the results from the intervals submitted for analysis for head assays and Davis Tube assays.

HEAD ASSAY RESULTS

Hole ID	From (m)	Interval (m)	Fe %	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	Mn %	CaO %	P %	S %	MgO%	K ₂ O %	LOI %	Geology
LMRC011	33	7	31.42	46.16	2.86	0.19	0.01	0.09	0.035	0.049	0.58	0.129	4.62	Oxidised Lady

														Miller SIF
LMRC011	69	9	22.91	43.16	4.01	0.31	0.18	3.90	0.043	1.181	7.72	0.150	6.47	Fresh Atlee SIF
LMRC013	25	59	28.12	48.50	2.63	0.14	0.12	3.04	0.050	0.771	3.20	0.287	0.86	Oxidised-fresh Lady Miller SIF
LMRC020	65	4	16.29	45.65	8.43	0.63	0.17	3.49	0.035	0.633	10.40	0.077	5.89	Oxidised Marell Schist
LMRC020	69	21	18.91	49.32	2.53	0.24	0.36	6.79	0.030	1.825	5.78	0.186	5.37	Fresh Atlee SIF

DAVIS TUBE ASSAY RESULTS

Hole ID	From (m)	Interval (m)	Fe %	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	Mn %	CaO %	P %	S %	MgO%	K ₂ O %	LOI %
LMRC011	33	7	57.35	13.90	0.20	0.04	0.00	0.01	0.037	0.106	0.02	0.007	IS
LMRC011	69	9	59.56	13.07	0.49	0.27	0.05	0.73	0.015	0.498	0.92	0.015	-2.13
LMRC013	25	59	64.62	7.15	0.38	0.06	0.03	0.30	0.020	1.454	0.46	0.023	-2.10
LMRC020	65	4	59.65	7.63	1.49	0.14	0.07	1.06	0.020	0.471	1.82	0.018	IS
LMRC020	69	21	64.23	4.79	0.17	0.06	0.06	0.54	0.011	6.344	0.44	0.014	0.08

1. Sample intervals comprise 1metre and 2-5 metre composites
2. Each composite is individually tested by Davis Tube, with all composite results averaged for the interval
3. Sample interval is down hole not true width
4. Davis Tube samples prepared to nominally 100% passing 45 microns.
5. Davis Tube testing performed by Ultra-trace with chemical analysis by XRF.
6. IS results returned "insufficient sample"
7. High sulphur content in the samples relates to the presence of pyrrhotite.
8. Negative LOI means oxidised magnetite

The initial sample results are promising for the upgrade to greater than 57% Fe of the iron concentrations of the magnetite deposits at Norseman. Further work is now required on the samples to determine metallurgical parameters, including the testing of diamond drill samples recently obtained from drilling on the Lady Miller Prospect. There is also a large number of drill hole pulps held on site including a number that have intersected the Lady Miller, Atlee and Bon Accord SIF, which could potentially be submitted for gold and iron suite analysis. These sample pulps are currently being catalogued at site.

Regional Fe-Au Potential

In its Norseman regional tenement holding, the Company also expects to identify iron mineralisation of higher grade and tonnage than that so far identified at Lady Miller.

For example, at the Andronicus Prospect located on the Bon Accord SIF, 1 kilometre east of Lady Miller, the SIF unit is up to 240 metre wide having been intersected in historic gold exploration drilling from surface to 180 metre below surface. Drilling at Andronicus has been undertaken on 30 metre, 50 metre and 100 metre line spacing over a strike

length of 1 kilometre. The Company anticipates that re-assaying for Fe suite using sample pulps left over from gold exploration may quickly realise an iron resource.

The Company has thousands of drill samples stored from over 30 years of gold exploration available for re-assay for Fe (or Au) that should fast track exploration and development and significantly reduce the otherwise required drilling budget.

As background, there are seven SIF units at Norseman all highly prospective for large tonnage magnetite iron mineralisation. Government and Company mapping of the Noganyer Formation SIF units indicate they vary in width from 40 – 300 metres depending on structural repetition and have a strike length of over 15 kilometres on nearly contiguous Company tenement holdings.

Extensive assaying and metallurgical test-work is required on magnetite bands within the SIF units before a conclusive statement can be made on developing a commercial magnetite deposit within the Noganyer Formation at Norseman.

Further announcements will be made in relation to the Company's iron ore prospects as and when they arise.

Tailings Retreatment

The Company has continued the search for a suitable site to dispose of the 5 million tonnes of potentially retreatable tailings, with a number of potential locations being identified. Community consultation has now commenced due to the historic significance of the tailings dumps to the Norseman town's history.

Corporate Review

The Company is working through the process for a dual listing for the Company's shares on the Australian Stock Exchange in order to facilitate an increased shareholder base and to raise Norseman Gold's profile with Australian investors and gold companies alike. The Company continues to monitor the region for corporate opportunities to add further to shareholder value.

Outlook / Conclusion

The operations have continued to improve and record gold recovered for the June quarter helped the project to achieve its forecast production level for the year ending 30 June, coming in at 77,229 ounces. Cash costs per ounce have continued to fall as predicted, with recent cost saving initiatives returning positive results and production returning close to expected levels.

The Company continues to advance and expand its drill programs to increase the reserve and resource base at Norseman to enhance its production potential. An updated reserve and resource statement is expected to be published in the near future and resource optimisation studies are expected to provide a near term source of ore which will absorb the current capacity available at the Phoenix Mill.

The Company has identified the potential for the existence of magnetite rich iron deposits within the Company tenements. Further assaying and lab testing will be undertaken to establish whether the deposits are upgradable into saleable product.

Competent Persons – Consent for Release

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on data generated by employees of Central Norseman Gold Corporation who have the relevant experience and qualifications to qualify as competent persons.

The parts of this report that relate to Exploration Results, Mineral Resources and Ore Reserves were compiled by Barry Cahill using that data. He is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. He has consented to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Forward-Looking Statements.

This regulatory news release contains certain forward looking statements, which include assumptions with respect to future plans, results and capital expenditures. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. All such forward looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control. Please refer

to the Company's Admission Document available from the Company's web site for a list of risk factors. The Company's actual results could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release.

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Note to editors:

Norseman Gold plc is an AIM listed Australian gold production company, which acquired the Norseman Gold Project in May 2007, Australia's longest continually running gold operation. The Norseman Gold Project is located in the Eastern Goldfields of Western Australia in the highly prospective Norseman-Wiluna greenstone belt, 725km east of Perth and 186km from Kalgoorlie.

Gold was first found on the Norseman field in 1894 and over the last 65 years it has produced over 5.5 million ounces of gold. The mine is currently producing from two high-grade narrow-vein underground mines - the Bullen and the Harlequin. Currently, it has a total resource inventory of 1.9 million ounces of gold at an average grade of 4.1 g/t.

The tenements cover a 745 sq km area centred on the Norseman Township. The landholding comprises 179 contiguous tenements consisting of 13 Exploration Licences, 106 Mining Licences, 45 Prospecting Licences, 15 Miscellaneous Licences and 29 Mining Lease Applications.

The Company's strategy is focused on extending the mine life through the conversion of resources into reserves and identifying additional resources and obtaining additional ore

for the operating mill through re-treatment of tailings or acquisitions of alternative sources of ore.