

AMSTERDAM, Netherlands, Dec. 15, 2015 /CNW/ - [Nord Gold N.V.](#) ("Nordgold" or the "Company", LSE: NORD), the internationally diversified low-cost gold producer, announces that it intends to make an offer (the "Offer") to acquire all of the outstanding common shares ("Common Shares") of [Northquest Ltd.](#) (TSX-V:NQ, Frankfurt: NQ3) ("Northquest") that it does not currently own at a price of CAD\$0.253 in cash per Common Share. The Offer values Northquest at approximately CAD\$26.9 million (approximately US\$20 million) on an undiluted basis.

As a result of exercise of warrants to purchase Common Shares by Nordgold on November 24, 2015, Nordgold's ownership of Common Shares increased above 50% of the Common Shares on such date. In accordance with a subscription agreement between Northquest and Nordgold dated June 1, 2015 (the "Subscription Agreement"), Nordgold agreed to make a take-over bid for the Common Shares it does not hold if it acquired more than 50% of the Common Shares. Under the Subscription Agreement, the Offer must be made a price per Common Share at least equal to the greater of (a) \$0.25 per common share; or (b) the price per Common Share that represents a 25% premium to the market price of the Common Shares, calculated by reference to the 20 day volume weighted average price ("VWAP") on the trading day immediately preceding the day that Nordgold's shareholders exceed 50% of the Common Shares.

The Offer price per common share of \$0.253 represents:

- a 25% premium to the 20 day VWAP ending on November 23, 2015, being the trading day immediately preceding the day on which Nordgold's ownership of Common Shares increased above 50%;
- a 15% premium to the closing price on December 11, 2015.

Nordgold believes that Northquest is fully valued at an offer price per Common Share of \$0.253.

The Offer will be subject to customary conditions, including but not limited to the following:

- there having been validly deposited under the Offer and not withdrawn at the expiry time (i) such number of Common Shares that, together with the Common Shares held by Nordgold and its affiliates, constitute at least 66⅔% of the outstanding Common Shares (calculated on a fully-diluted basis), and (ii) at least a majority of the outstanding Common Shares (calculated on a fully-diluted basis) the votes attached to which would be included in the minority approval of a second step business combination transaction under applicable securities laws;
- all stock options, warrants and other convertible securities of Northquest shall have been exercised, terminated or otherwise cancelled, will be assumed by Nordgold on terms satisfactory to Nordgold, in its sole discretion, or shall have been otherwise dealt with on terms satisfactory to the Nordgold, in its sole discretion;
- Northquest shall not have taken certain actions that could reasonably be expected to make it inadvisable for Nordgold to proceed with the Offer and/or to take up and pay for Common Shares deposited under the Offer or to complete a compulsory acquisition or second step business combination transaction in respect of any Common Shares not acquired under the Offer;
- no action, suit or proceeding having been threatened, commenced or taken, and no law having been proposed, enacted, promulgated or applied, to cease trade or impose material limitations or conditions on the purchase by or sale to Nordgold of the Common Shares;
- there having been no material adverse change in Northquest's business, properties, assets or operations since the date of this press release; and
- Nordgold not having become aware of any misrepresentation in any document filed by or on behalf of Northquest with any securities commission or similar securities regulatory authority.

Nordgold will reserve the right to withdraw or extend the Offer and to not take up and pay for any Deposited Shares unless each of the conditions of the Offer is satisfied or waived by Nordgold at or prior to the expiry time.

The Offer, which may be made by an affiliate of Nordgold, will not be subject to any financing condition and will be financed through Nordgold's existing cash reserves.

Further details concerning the Offer will be included in the take-over bid circular to be sent to Northquest's shareholders.

Nordgold currently holds an aggregate of 55,574,999 Common Shares representing approximately 52.3% of the outstanding Common Shares on an undiluted basis. As Nordgold is an "insider" of Northquest for purposes of applicable securities laws, Nordgold has requested that the board of directors of Northquest establish a special committee of independent directors to supervise the preparation of a formal valuation of the Common Shares by an independent valuator.

Following completion of the formal valuation, Nordgold intends to send its take-over bid circular to the shareholders of Northquest and to make all necessary filings with the appropriate securities regulatory authorities.

Prior to the annual and special meeting of shareholders of Northquest held on December 10, 2015, Nordgold requested that the board of directors of Northquest postpone the meeting so that the size of the board could be increased from five to eight directors and to appoint an additional three Nordgold directors. Unfortunately, the board of directors of Northquest denied Nordgold's request for a postponement. As a result, Nordgold intends to send a notice to the board of directors of Northquest

requesting a special meeting of shareholders of Northquest for the election of a new slate of directors to the Northquest board.

## Disclaimer

This press release is not a recommendation, an offer to purchase or a solicitation of an offer to sell securities of Northquest. Nordgold has not commenced an offer to purchase or a take-over bid for Common Shares as described in this press release. Nordgold will only commence an offer to purchase or a take-over bid for Common Shares by filing a take-over bid circular with the applicable securities regulatory authorities in Canada which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. Once filed with the applicable securities regulatory authorities in Canada, the take-over bid circular and other related documentation will be available on [www.sedar.com](http://www.sedar.com).

The information contained in this press release does not and is not meant to constitute a solicitation of a proxy within the meaning of applicable corporate and securities laws. Although Nordgold intends to requisition the board of directors of Northquest to call a special meeting of Northquest's shareholders, there is currently no record date or meeting date set for such meeting. Any proxies solicited by or on behalf of Nordgold in connection with the requisitioned meeting will be solicited pursuant to an information circular or as otherwise permitted by law.

This press release is issued pursuant to National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues, which requires a report to be filed under Northquest's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) containing additional information with respect to the foregoing matters. A copy of such report may be obtained by contacting Valentina Bogomolova, Head of IR at +7 495 644 44 73 ext. 701 6711. The address of Nordgold is:

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## About Nordgold

Nordgold (LSE: NORD) is an internationally diversified low-cost gold producer established in 2007 and publicly traded on the London Stock Exchange. The Company has expanded rapidly through carefully targeted acquisitions and organic growth, achieving a rate of growth unmatched in the industry during that period. In 2014, Nordgold's gold production increased to 985 thousand ounces from 924 thousand ounces in 2013.

The Company operates 9 mines and has 2 development projects, 4 advanced exploration projects and a diverse portfolio of early-stage exploration projects and licenses in Burkina Faso, Guinea, Russia, Kazakhstan, French Guiana and Canada. Nordgold employs over 8,000 people.

## Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this press release, including any information as to Nordgold's estimates, strategy, projects, plans, prospects, future outlook, anticipated events or results or future financial or operating performance and production and Nordgold's intention to make an Offer and to request a special meeting of shareholders of Northquest, may constitute "forward-looking information" within the meaning of Canadian securities laws. All statements, other than statements of historical fact, constitute forward-looking information. Forward-looking information can often, but not always, be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "predicts", "potential", "continue" or "believes", or variations (including negative variations) of such words, or statements that certain actions, events or results "may", "could", "would", "should", "might", "potential to", or "will" be taken, occur or be achieved or other similar expressions concerning matters that are not historical facts. The purpose of forward-looking information is to provide the reader with information about management's expectations and plans. Readers are cautioned that forward-looking statements are not guarantees of future performance. All forward-looking statements made or incorporated in this press release are qualified by these cautionary statements.

Forward-looking information involves significant risks, assumptions, uncertainties and other factors that may cause actual future realities or anticipated events to differ materially from those expressed or implied in any forward-looking information and, accordingly, should not be read as guarantees of future performance or realities. Material factors or assumptions that were applied in formulating the forward-looking information contained herein include the assumption that the business and economic conditions affecting Nordgold's operations will continue substantially in their current state, including, without limitation, with respect to industry conditions, general levels of economic activity, market prices for gold, competition for and scarcity of gold mine assets, achievement of anticipated mineral reserve and mineral resource tonnages or grades, ability to develop additional mineral reserves, acquisition of funding for capital expenditures, adequacy and availability of production, processing and product delivery infrastructure, electricity costs, continuity and availability of personnel and third party service providers, local and international laws and regulations, foreign currency exchange rates and interest rates, inflation, taxes, and that there will be no unplanned material changes to Nordgold's facilities, equipment, customer and employee relations and credit arrangements, and

the assumption that the conditions of the Offer will be satisfied. Nordgold cautions that the foregoing list of material factors and assumptions is not exhaustive. Many of these assumptions are based on factors and events that are not within the control of Nordgold and there is no assurance that they will prove correct. The risks and other factors that may cause actual future realities or anticipated events to differ materially from those expressed or implied in any forward-looking information include, but are not limited to Nordgold's ability to execute its development and exploration programs; the financial and operational performance of Nordgold; civil disturbance, armed conflict or security issues at the mineral projects of Nordgold; political factors; the capital requirements associated with operations; dependence on key personnel; compliance with environmental regulations; estimated production; competition; and satisfaction of the conditions of the Offer. There is no assurance that the conditions of the Offer will be satisfied or that the Offer will be successfully completed.

Actual performance or achievement could differ materially from that expressed in, or implied by, any forward-looking information in this press release and, accordingly, investors should not place undue reliance on any such forward-looking information. Further, any forward-looking information speaks only as of the date on which such statement is made, and Nordgold does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or realities after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by applicable Canadian securities laws. All forward-looking information contained in this press release is qualified by such cautionary statements. New risk factors emerge from time to time, and it is not possible for management to predict all of such risk factors and to assess in advance the impact of each such factor on Nordgold's business or the extent to which any factor, or combination of factors, may cause actual realities to differ materially from those contained in any forward-looking information.

SOURCE Nord Gold N.V.

#### Contact

For further information on Nordgold please visit the Company's website: [www.nordgold.com](http://www.nordgold.com). Enquiries: Nordgold: Valentina Bogomolova, Head of IR, Tel: +7 (495) 644 4473, [valentina.bogomolova@nordgold.com](mailto:valentina.bogomolova@nordgold.com); Olga Ulyeva, Head of Media Relations, Tel: +7 (495) 644 4473, [olga.ulyeva@nordgold.com](mailto:olga.ulyeva@nordgold.com); Maitland: David Sturken, James Devas, Tel: +44 (0)20 7379 5151