Financial and Operating Results

Q3 and 9m 2018

London, United Kingdom, 6 November 2018

Nord Gold SE ("Nordgold" or the "Company"), the internationally diversified gold producer, announces its financial and operating results for the third quarter and nine months ended 30 September 2018.

Highlights[1]	Q3 2018[2]	Q3 2017[2]	Change, YoY	Q2 2018[2]	Change, QoQ	9m 2018	9m 2017	Change, YoY
Gold production, koz	227.3	230.7	(1%)	223.5	2%	675.9	716.8	(6%)
Average realised gold price, US$/oz	1,209	1,285	(6%)	1,302	(7%)	1,282	1,257	2%
Revenue, US$m	268.2	295.7	(9%)	289.6	(7%)	857.9	900.5	(5%)
EBITDA[3], US$m	99.3	113.2	(12%)	120.2	(17%)	345.5	379.7	(9%)
Net profit[4], US$m	53.0	46.3	14%	13.9	281%	109.2	114.0	(4%)
AISC[5], US$/oz	1,140	998	14%	1,017	12%	1,049	908	16%
LTIFR	0.48	0.73	(34%)	1.49	(68%)	1.05	1.12	(6%)

Highlights:

- Lost Time Injury Frequency Rate (LTIFR) improved significantly in Q3 2018 to 0.48. Likewise, in 9m 2018, LTIFR decreased by 6% year-on-year ("YoY") to 1.05. With deep regret, we report one fatality occurred in August with a contractor employee at the Gross construction site.
- Refined gold production in Q3 2018 increased by 2% quarter-on-quarter ("QoQ") driven by higher production at Neryungri and Suzdal mines. In 9m 2018, production decreased by 6% YoY mainly due to increase in lower grade material processed at Bissa-Bouly, Taparko and Berezitovy.
- The new Gross mine was officially launched in September 2018. Once at full nameplate capacity, the mine is expected to contribute an average of 200 koz of gold per year, raising Nordgold's total annual gold production to over one million ounces.
- Revenue in Q3 2018 decreased by 7% QoQ to US$289.6 million due to a lower average realised gold price. 9m 2018 revenue decreased by 5% YoY to US$857.9 million due to lower sales volumes partially offset by a higher average realised gold price.
- All-in sustaining cost ("AISC") in 9m 2018 was up 16% YoY due to higher capitalised stripping at the West African mines and Berezitovy mine in Russia to facilitate pits cutbacks for future ore supply. Q3 2018 AISC increased by 12% QoQ due to temporary higher capitalised stripping costs at the West African mines.
- 9m 2018 EBITDA decreased by 9% YoY to US$345.5 million mainly due to lower revenues. Q3 2018 EBITDA was down QoQ due to lower revenues and higher costs.
- Q3 2018 net profit more than trebled QoQ to US$53.0 million mainly due to a foreign exchange gain and lower derivative net loss in Q3 2018.
- Operating cash flow up 54% QoQ and 13% YoY to US$114.9 million in Q3 2018.
- The Board has declared a dividend of 2.75 US cents per share for Q3 2018, representing a total pay-out of US$9.3 million.

[1] May include the effect of rounding.

[2] Q3 2018, Q2 2018 and Q3 2017 figures included throughout the press release are neither audited nor reviewed by an auditor.

[3] EBITDA is a normalised EBITDA. Please see "Non-IFRS Financial Measures" on page 8 for a detailed definition.

[4] Net profit is Net profit for the period.

[5] Please see "Non-IFRS Financial Measures" on page 8 for a detailed definition.

Message from the CEO

We were delighted to officially launch our new Gross mine in the third quarter. Gross is the third mine we have conceived, developed and built since 2013, a remarkable track record for a still young mining company. Early Gross performance is in line with expectations. At full capacity Gross will produce 200 koz of gold a year, making Nordgold a one million ounce producer for the first time. The launch of Gross has once again proven our development credentials. We expect to transfer this expertise to our next major development project, Montagne d'Or in French Guiana.

Third quarter production has been below our expectations, and lower production at our Berezitovy mine, resulting from a rock slide, lead us to adjust our full year forecasts accordingly. We increased mining investment in certain assets which we believe will result in sustained improved performance in 2019 and onwards. Longer term we remain confident in the outlook for the business, and are excited about the opportunities ahead.

Nikolai Zelenski, Chief Executive Officer, Nordgold

2018 Outlook

- 2018 production guidance has been reduced to 900-950 thousand gold equivalent ounces ("koz") from 950-1000 koz due to lower than expected production at Berezitovy which has been in a waste stripping phase to mine around the geotechnical wall failure that took place in Q2 2018.
- 2018 capex guidance has been increased by US$30 million to approximately US$500 million due to additional investment in Gross construction and capitalised stripping at Gross, Bissa-Bouly, Taparko and Berezitovy mines to position the mines for stronger production in 2019.
- 2018 full year AISC guidance remains in the range of US$975/oz – US$1025/oz.

Dividend

The Board has approved an interim dividend of 2.75 US cents per share in respect of the three months ended 30 September 2018, representing a total pay-out of US$9.3 million.

The dividend record date is set on 12 November 2018 with payment on 28 November 2018.

Health and Safety

The Lost time injury frequency rate (LTIFR) improved significantly in Q3 2018 to 0.48 compared with 0.73 in Q3 2017 and 1.49 in Q2 2018. Likewise, in 9m 2018, LTIFR decreased by 6% YoY to 1.05.

We continue to invest our efforts in improving our overall safety performance. In Q3 2018, seven out of nine Nordgold mines registered zero LTI incidents.

Sadly, three fatalities were registered over 9m 2018, with two of them occured in H1 2018 at the Zun-Holba underground mine and at the Irokinda mine. Additionally, one fatality was registered in August with a contractor employee at the Gross construction site. These were fully investigated and appropriate actions implemented.

Safety remains the Board and management's absolute priority. Our objective is Zero Harm for our employees and contractors and we are dedicated to continuing to invest in our efforts to improve our overall safety performance.

LTIFR by mine

Mines	Q3 2018	Q3 2017	Change, YoY	Q2 2018	Change, QoQ	9m 2018	9m 2017	Change, YoY
Bissa-Bouly	0.00	0.00	0%	0.00	0%	0.00	0.00	0%
Taparko	0.00	0.00	0%	0.00	0%	0.00	1.02	(100%)
Lefa	0.00	0.00	0%	1.35	(100%)	0.46	0.00	100%
Buryatzoloto *(Zun-Holba mine)*	0.00	1.85	(100%)	5.91	(100%)	3.41	4.15	(18%)
Buryatzoloto *(Irokinda mine)*	2.48	0.00	100%	0.00	100%	1.50	0.62	142%
Berezitovy	0.00	0.00	0%	0.00	0%	0.77	0.00	100%
Neryungri	1.46	0.00	100%	0.00	100%	1.05	0.68	54%
Suzdal	0.00	4.69	(100%)	4.37	(100%)	1.46	3.11	(53%)
Nordgold	**0.48**	**0.73**	(34%)	**1.49**	(68%)	**1.05**	**1.12**	(6%)

Consolidated Production Overview

Operating results	Q3 2018	Q3 2017	Change, YoY	Q2 2018	Change, QoQ	9m 2018	9m 2017	Change, YoY
Run of mine, kt [6]	43,165	35,596	21%	42,964	0%	123,818	103,017	20%
Waste mined, kt [6]	34,908	28,884	21%	35,005	0%	99,783	84,706	18%
Ore mined, kt	8,565	7,012	22%	8,258	4%	24,947	19,158	30%
Stripping ratio, t/t [7]	4.23	4.30	(2%)	4.40	(4%)	4.15	4.63	(10%)
Ore processed, kt[8]	8,698	7,327	19%	8,801	(1%)	24,715	21,611	14%
Grade, g/t	1.00	1.17	(15%)	1.06	(6%)	1.07	1.19	(10%)
Recovery, %	81.0	84.1	(3.1pp)	80.3	0.7pp	79.8	84.3	(4.5pp)
Refined gold production, koz	227.3	230.7	(1%)	223.5	2%	675.9	716.8	(6%)

Ore processed multiplied by head grade and multiplied by recovery may not be equal to gold produced due to differences in work in progress figures and volumes of silver production

Refined Gold Production by Mine, koz [9] [10]

Operating results	Q3 2018	Q3 2017	Change, YoY	Q2 2018	Change, QoQ	9m 2018	9m 2017	Change, YoY
Bissa-Bouly	58.6	73.4	(20%)	66.2	(11%)	199.0	236.5	(16%)
Bissa	*36.7*	*46.0*	*(20%)*	*39.0*	*(6%)*	*119.0*	*144.0*	*(17%)*
Bouly	*21.9*	*27.4*	*(20%)*	*27.3*	*(20%)*	*80.1*	*92.4*	*(13%)*
Taparko	23.9	19.2	24%	28.2	(15%)	78.0	81.5	(4%)
Lefa	47.7	46.1	3%	51.3	(7%)	148.9	149.4	0%
Buryatzoloto	14.6	21.2	(31%)	16.7	(13%)	52.1	54.7	(5%)
Berezitovy	10.1	24.6	(59%)	11.0	(8%)	41.2	77.4	(47%)
Neryungri	47.4	23.2	104%	29.2	62%	92.5	47.9	93%
Suzdal	25.0	23.1	9%	20.9	20%	64.2	67.6	(5%)
Nordgold	**227.3**	**230.7**	(1%)	**223.5**	2%	**675.9**	**716.8**[11]	(6%)

Operating Highlights

- The new Gross mine was officially launched in September 2018. At full nameplate capacity, the mine is expected to produce an average of 200 koz of gold per year over a period of 17 years. Gross is the third new mine built and commissioned by Nordgold since 2013. With Gross operating at full capacity, Nordgold's total annual gold production will exceed one million ounces.
- Refined gold production in Q3 2018 increased by 2% QoQ to 227.3 koz as a result of higher production at Neryungri and Suzdal mines.
- In 9m 2018, gold production decreased by 6% YoY to 675.9 koz primarily due to a planned increase in lower grade material processing at Bissa-Bouly and Taparko in line with mine plans and waste stripping at

[6] Open pit mines only.

[7] Calculated for total ore mined and waste mined at open pits only.

[8] Includes ore processed at Berezitovy heap leach.

[9] May include the effect of rounding.

[10] Including 0.706 and 2.676 thousand gold equivalent ounces of silver production for Q3 2018 and 9m 2018 respectively (Based on ~ 1:82 Au/Ag).

[11] Including 2 koz produced by the Aprelkovo mine. As disclosed, a petition for bankruptcy of Aprelkovo was filed in 2016; the observation procedure was introduced by the Arbitration Court of Moscow on 22 December 2016.

Berezitovy. These were partially offset by higher volumes of total ore processed (up 14% YoY) and a significant increase in gold production at the Neryungri mine.

- During the first nine months of the year, Nordgold achieved a substantial improvement in ore mining efficiency due to higher ore mining volumes at four of Nordgold's open-pit mines (Neryungri, Lefa, Taparko and Bouly). This resulted in the 10% stripping ratio decrease amid a 30% increase in ore mining.
- In 9m 2018, a significant increase (up 93% YoY) in gold production was achieved at the Neryungri mine due to higher volumes of ore mined and processed additionally supported by higher gold grades.
- With its open pit operations in a waste stripping phase to mine around geotechnical wall failure that took place in Q2 2018 at the Stage 4 of the pit, the Berezitovy mine decreased production in Q3 2018 and 9m 2018. The mine's underground decline development project is progressing well.

Development Projects

Montagne d'Or

- The Montagne d'Or gold deposit of 54.1 Mt reserves is located 180 km west of Cayenne, the capital of French Guiana. The Bankable Feasibility Study ("BFS") confirmed IRR of 18.7% at a gold price of US$1,250 per ounce.
- The Environmental and Social Impact Assessment reports received by the Montagne d'Or joint venture (Nordgold 55.01% and Columbus Gold Corp. 44.99%) from consultants in draft form in the end of 2017 will be finalised following review by the Company and input from the public debate in French Guiana. The debate was completed in July 2018 with the summary report produced in September 2018.

Uryakh

- The Uryakh project is an advanced exploration project in the Irkutsk region of Russia.
- The Uryakh resource is 1.8 Moz at 3.78 g/t gold with an open pit and underground minable resource potential. The 2018 drilling programme will provide geotechnical, hydrogeological and resource confirmation information.
- SRK Denver is expected to complete a pre-feasibility study for Uryakh in Q4 2018.
- Based on current estimates production at Uryakh could begin as early as 2022.

Pistol Bay

- Pistol Bay is a high-grade gold exploration project located in Nunavut Territory, northern Canada, on the west coast of Hudson Bay.
- Total Mineral Resources (2012 JORC) of 742 koz of gold at 2.94 g/t were estimated for the Vickers deposit, part of the Pistol Bay project.
- The 2018 field campaign was conducted in Q3 2018 and focused on detailed mapping, ground geophysical and geochemical surveys to prepare high potential drill targets for 2019.

Financial Results Summary[12]

Financial Results, US$m	Q3 2018	Q3 2017	Change, YoY	Q2 2018	Change, QoQ	9m 2018	9m 2017	Change, YoY
Gold sold, koz	221.9	230.1	(4%)	222.4	0%	669.4	716.3	(7%)
Average realised gold price per ounce sold, US$/oz	1,209	1,285	(6%)	1,302	(7%)	1,282	1,257	2%
Revenue	268.2	295.7	(9%)	289.6	(7%)	857.9	900.5	(5%)
EBITDA	99.3	113.2	(12%)	120.2	(17%)	345.5	379.7	(9%)
EBITDA margin[12], %	37.0	38.3	(1.3pp)	41.5	(4.5pp)	40.3	42.2	(1.9pp)
Net profit for the period	53.0	46.3	14%	13.9	281%	109.2	114.0	(4%)
Normalised net profit attributable to shareholders	30.9	36.2	(15%)	32.1	(4%)	100.4	127.7	(21%)
Cash flow from operating activities	114.9	102.0	13%	74.6	54%	286.5	276.4	4%
Capital expenditures	160.0	91.0	76%	117.3	36%	398.6	236.8	68%
incl. Exploration	12.5	10.6	18%	*11.7*	7%	32.0	24.4	31%
Free cash flow[13]	(36.2)	11.2	(423%)	(45.2)	(20%)	(95.8)	32.9	(391%)
Cash and cash equivalents	138.9	335.2	(59%)	216.1	(36%)	138.9	335.2	(59%)
Total debt	999.3	1,003.9	0%	1,013.3	(1%)	999.3	1,003.9	0%
Net debt[12]	860.4	668.7	29%	797.2	8%	860.4	668.7	29%
AISC, US$/oz	1,140	998	14%	1,017	12%	1,049	908	16%

- EBITDA in Q3 2018 was down 17% QoQ to US$99.3 million due to lower revenue and higher costs. 9m 2018 EBITDA decrease of 9% YoY mainly related to lower revenue.
- Q3 2018 net profit more than trebled QoQ to US$53.0 million mainly due to a foreign exchange gain of US$28.5 million and lower finance costs primarily related to a change in the fair value of a derivative instrument linked to an unsecured US$325 million loan from Sberbank.
- Cash flow from operating activities in Q3 2018 increased by 54% QoQ and 13% YoY to US$114.9 million. The QoQ increase was primarily driven by working capital management and factoring transactions. 9m 2018 operating cash flow of US$286.5 million was up 4% YoY.
- 9m 2018 capex of US$398.6 million was 68% higher YoY mainly as a result of investment in the Gross mine construction, exploration programmes and higher capitalised stripping.
- In Q3 and 9m 2018, Nordgold generated negative free cash flow as expected, due to investment commitments related to the construction of the Gross mine.
- Cash and cash equivalents as at 30 September 2018 decreased to US$138.9 million from US$216.1 million as at 30 June 2018 owing to the investment in the construction of the Gross mine and capitalised stripping at the West African mines.
- AISC in 9m 2018 was up 16% YoY mainly due to higher capitalised stripping at the West African mines and Berezitovy mine in Russia to facilitate pits cutbacks for future ore supply. Q3 2018 AISC increased by 12% QoQ mainly due to temporary higher capitalised stripping at the West African mines.

[12] May include the effect of rounding.

[13] Please see "Non-IFRS Financial Measures" on page 8 for a detailed definition.

AISC by Mine, US$ per ounce of gold

Mines	Q3 2018	Q3 2017	Change, YoY	Q2 2018	Change, QoQ	9m 2018	9m 2017	Change, YoY
Bissa-Bouly	1,112	833	33%	899	24%	943	742	27%
Taparko	1,459	1,555	(6%)	1,058	38%	1,211	979	24%
Lefa	1,427	958	49%	1,008	42%	1,150	976	18%
Buryatzoloto *(Irokinda and Zun-Holba mines)*	1,491	1,322	13%	1,545	(3%)	1,376	1,409	(2%)
Berezitovy	1,920	849	126%	1,528	26%	1,360	705	93%
Neryungri	712	931	(24%)	554	29%	650	1,029	(37%)
Suzdal	641	724	(11%)	778	(18%)	700	616	14%
Nordgold	**1,140**	**998**	14%	**1,017**	12%	**1,049**	**908**	16%

Non-IFRS Financial Measures

This press release includes certain measures that are not measures defined by International Financial Reporting Standards (as adopted by the European Union) ("IFRS"). These measures are EBITDA and EBITDA margin, normalised net profit attributable to shareholders, all-in sustaining cost and net debt, and they are used by the management of Nordgold to assess the Company's financial performance. However, these measures should not be used instead of or considered as alternatives to Nordgold's historical financial results based on IFRS. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company.

EBITDA and EBITDA Margin

EBITDA results from profit before income tax adjusted for finance income and finance costs (including interest expense, royalties related to West-African operations, discounting of non-current receivables and other finance cost), foreign exchange loss/(gain), depreciation and amortisation charges, impairment/(reversal of impairment) of non-current assets, impairment/(reversal of impairment) of work-in-progress recognized in cost of sales, the net loss or gain from the disposal of property, plant and equipment, and net gain on disposal of subsidiaries, joint ventures and available-for-sale investments, movement in provision on mineral extraction tax and other expenses/(income). Nordgold uses EBITDA in the reporting of its segments and in assessing its growth and operational efficiencies. The EBITDA margin is EBITDA as a percentage of sales. The reconciliation of profit for the period to EBITDA is disclosed in note 3 «Segment reporting» of Interim condensed consolidated financial statements.

Information regarding EBITDA and the EBITDA margin or similar measures is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements.

EBITDA, by itself, does not provide a sufficient basis to compare Nordgold's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity.

Net Debt

In order to assess Nordgold's liquidity position, management uses a measure of net cash or debt, which is the sum of short- and long-term debt finance less cash and cash equivalents. Short-term and long-term debt includes loans and other credit facilities, accrued interest and bank overdrafts.

Free cash flow

Free cash flow represents cash flows from operating activities less cash used for capital expenditure (payments for property, plant and equipment and payments for exploration and evaluation and changes in VAT recoverable related to capital expenditures).

Capex

Capital expenditure ("capex") is the amount of additions to construction in progress ("CIP"), property, plant and equipment and intangible assets as disclosed in IFRS financial statements, adjusted for net change of advances paid for CIP and other adjustments.

Normalised net profit attributable to shareholders

Normalised net profit attributable to shareholders results from profit for the year attributable to shareholders adjusted for attributable to shareholders impairment charge/(reversal) of non-current assets, impairment charge /(reversal) of work-in-progress, tax penalties, movement in obsolesce provision, movement in provision for assets retirement obligations, other adjustments and effect of income tax on adjustments.

All-In Sustaining Costs

All-in-sustaining cost ("AISC") stands for the costs related to sustaining production and is calculated as the amount of production cost (corrected for depreciation and amortisation), plus selling, general and administrative expenses and other cash operating result with addition of capital expenditure spent to sustain the production level. The latter includes maintenance capex on all the mines, exploration capex on operating mines and capitalised stripping together with underground development performed on operating mines.

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About Nordgold

Nordgold is an internationally diversified gold producer established in 2007. Nordgold has a proven track record of operational excellence and benefits from a significant international development pipeline. The Company is relentlessly focused on shareholder value, committed to running safe, efficient, profitable operations, which enable it to generate strong cashflows and in turn, continue to invest in its pipeline of new growth opportunities while generating returns for investors. In 2017, Nordgold produced 968.3 koz of gold.

Nordgold operates 9 mines (4 in Russia, 3 in Burkina Faso and one each in Guinea and Kazakhstan). It has one project in construction phase (Gross in Russia), several prospective projects, advanced exploration phase and a diverse portfolio of early-stage exploration projects and licences in Burkina Faso, Russia, French Guiana and Canada. Nordgold employs over 8,000 people.

Cautionary Note Regarding Forward-Looking Statements

The accompanying document has been prepared by Nord Gold SE, a company existing under the laws of the United Kingdom (the "Company" or "Nordgold" and, together with its subsidiaries, the "Group"), and is for informational purposes only. While information in this document is obtained from sources believed by the Company to be reliable, the Company has not undertaken an independent verification of such information, and no assurance can be provided as to the accuracy or completeness of any such information.

Certain statements in this document are not historical facts and constitute "forward-looking" statements regarding future events or the future financial performance of the Group, including within the meaning of Section 27A of the United States Securities Act of 1933, as amended and Section 21E of the United States Securities Exchange Act of 1934, as amended. Such forward looking statements may be identified by terms such as "expect", "believe", "estimate", "anticipate", "intend", "will", "could", "may", or "might", the negative of such terms or other similar expressions. These forward-looking statements include matters that are not historical facts and statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies, and the industry in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance, and the Groups' actual results of operations, financial condition, liquidity, prospects, growth, strategies and the development of the industry in which the Group operates may differ materially from those described in or suggested by the forward-looking statements contained in these materials. In addition, even if the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in these materials, those results or developments may not be indicative of results or developments in future periods. Any such statements speak as of the date on which they are made, and the Company does not undertake any obligation to update any such statements to reflect information, events, results or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events, except as may be required by applicable law. Many factors could cause the actual results to differ materially from those contained in forward-looking statements of the Company, including, among others, general economic conditions, the competitive environment, risks associated with operating in the states where the Group operates, changes in the world gold market, as well as many other risks specifically related to the Group and its operations. 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. New risks and uncertainties 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. Actual performance or achievement could differ materially from that expressed in, or implied by, any forward-looking information in this document and, accordingly, investors should not place undue reliance on any such forward-looking information.

The information in these materials is provided as at the date hereof, and is subject to verification, completion and change. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its shareholders, directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in these materials, and no reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. None of the Company or any of its shareholders, directors, officers or any other person accepts any liability whatsoever for any loss howsoever arising from any use of the contents of these materials or otherwise arising in connection therewith.

Financial and Operating Results

Q3 and 9m 2018

nordgold
more than gold

Nord Gold SE

Interim condensed consolidated financial statements for the nine months ended 30 September 2018 (unreviewed)

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NORD GOLD SE

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the interim condensed consolidated financial statements for the
The Directors are responsible for preparing the interim condensed consolidated financial statements for the
nine months ended 30 September 2018 in accordance with applicable law, regulations and accounting standards. In preparing the interim condensed consolidated financial statements, the Directors are responsible for ensuring that they give a true and fair view of the state of affairs of the Nord Gold SE and its subsidiaries (the "Group") at the end of the period and the profit or loss of the Group for that period.

The Directors confirm that the interim condensed consolidated financial statements have been prepared in accordance with IAS 34: 'Interim Financial Reporting', as adopted by the European Union and that the Interim Management Report gives a true and fair view of the assets, liabilities, financial position, and profit and loss of the Group, and the undertakings included in the consolidation taken as a whole.

The interim condensed consolidated financial statements for the nine months ended
30 September 2018 were approved on 06 November 2018 on behalf of the Board of Directors by:

_____	_____
Zelensky N.G.	Guzeev D.V.
Chief Executive Officer	Chief Financial Officer

NORD GOLD SE

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (UNREVIEWED)

(Amounts in thousands of US dollars, except as otherwise stated)

		Nine months ended 30 September (unreviewed)		Three months ended 30 September (unreviewed)	
		2018	**2017**	**2018**	**2017**
Sales	4	857 894	900 535	268 230	295 675
Cost of sales		(611 661)	(661 065)	(183 061)	(215 335)
Gross profit		**246 233**	**239 470**	**85 169**	**80 340**
General and administrative expenses	5	(44 814)	(42 579)	(13 369)	(14 531)
Impairment of non-current assets		-	(445)	-	-
Other operating expenses, net		(4 995)	(1 804)	(4 238)	(1 709)
Profit from operations		**196 424**	**194 642**	**67 562**	**64 100**
Gain on bargain purchase		-	690	-	
Finance income	6	3 622	4 446	557	1 628
Finance costs	6	(81 227)	(51 176)	(25 170)	(2 248)
Foreign exchange gain/(loss), net		25 914	1 279	28 468	(4 452)
Profit before income tax		**144 733**	**149 881**	**71 417**	**59 028**
Income tax expense	7	(35 486)	(35 877)	(18 396)	(12 705)
Profit for the period		**109 247**	**114 004**	**53 021**	**46 323**
Attributable to:					
Shareholders of the Company		98 423	107 126	49 004	44 818
Non-controlling interests		10 824	6 878	4 017	1 505
Weighted average number of shares outstanding during the period (millions of shares) – basic and diluted	8	339.313	354.697	339.193	341.642
Earnings per share					
Basic and diluted earnings per share (US dollars)	8	0.29	0.30	0.14	0.13

NORD GOLD SE

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (UNREVIEWED)

(Amounts in thousands of US dollars, except as otherwise stated)

	Nine months ended 30 September (unreviewed)		Three months ended 30 September (unreviewed)	
	2018	**2017**	**2018**	**2017**
Profit for the period	**109 247**	**114 004**	**53 021**	**46 323**
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange differences on translation of foreign operations, net of tax	(127 239)	111 760	(32 835)	38 763
Recycling of foreign exchange operations related to liquidation of subsidiaries	12 048	(8 593)	(5 138)	-
Revaluation of available-for-sale financial assets, net of tax	(459)	1 262	(240)	16
Other comprehensive (loss)/income for the period, net of tax	**(115 650)**	**104 429**	**(38 213)**	**38 779**
Total comprehensive (loss)/income for the period	**(6 403)**	**218 433**	**14 808**	**85 102**
Attributable to:				
Shareholders of the Company	9 215	204 166	32 752	80 920
Non-controlling interests	(15 618)	14 267	(17 944)	4 182

NORD GOLD SE

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018 (UNREVIEWED)

(Amounts in thousands of US dollars, except as otherwise stated)

	Note	30 September 2018 (unreviewed)	31 December 2017
ASSETS			
Current assets			
Cash and cash equivalents		138 861	270 402
Short-term deposits		-	70 237
Accounts receivable		30 907	29 658
Inventories		163 024	177 269
VAT receivable		89 805	86 028
Income tax receivable		11 488	18 606
Total current assets		**434 085**	**652 200**
Non-current assets			
Property, plant and equipment	9	1 241 024	1 085 513
Intangible assets		742 457	765 660
Long-term financial investments		7 774	8 045
Restricted cash		14 183	14 919
Deferred tax assets		32 782	38 469
Inventories		90 952	92 782
Other non-current assets		10 837	4 998
Total non-current assets		**2 140 009**	**2 010 386**
TOTAL ASSETS		**2 574 094**	**2 662 586**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	10	491 601	453 564
Derivative financial instrument	6, 10	40 952	-
Accounts payable		263 766	292 455
Income tax payable		9 240	20 251
Provisions		13 535	15 221
Total current liabilities		**819 094**	**781 491**
Non-current liabilities			
Long-term borrowings	10	466 750	541 583
Derivative financial instrument	6, 10	-	1 835
Provisions		47 653	47 260
Deferred tax liabilities		100 083	102 542
Other non-current liabilities		8 129	7 783
Total non-current liabilities		**622 615**	**701 003**
TOTAL LIABILITIES		**1 441 709**	**1 482 494**
Equity			
Share capital	8	468 618	468 873
Share buyback reserve	8	(10 773)	(11 409)
Additional paid-in capital		767 578	767 995
Foreign exchange differences		(554 478)	(465 729)
Retained earnings		362 897	302 732
Revaluation reserve		846	1 305
Total equity attributable to shareholders of the Company		**1 034 688**	**1 063 767**
Non-controlling interests		97 697	116 325
TOTAL EQUITY		**1 132 385**	**1 180 092**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2 574 094**	**2 662 586**

The financial statements of Nord Gold SE, registered number SE000102, were approved and authorised for issue by the Directors on 06 November 2018 and signed on their behalf by:

Zelensky N.G.
Chief Executive Officer

Guzeev D.V.
Chief Financial Officer

NORD GOLD SE

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (UNREVIEWED)
(Amounts in thousands of US dollars, except as otherwise stated)

		Nine months ended 30 September (unreviewed)	
		2018	**2017**
Operating activities			
Profit for the period		**109 247**	**114 004**
Adjustments			
Finance income	6	(3 622)	(4 446)
Finance costs	6	81 227	51 176
Foreign exchange gain, net		(25 914)	(1 279)
Income tax expense	7	35 486	35 877
Depreciation and amortisation		148 184	159 643
Impairment charge of non-current assets		-	445
Impairment of work-in-progress recognised in cost of sales		(1 832)	11 853
(Gain)/loss on disposal of subsidiary		(153)	1 251
Loss on disposal of property, plant and equipment		470	341
Provision for obsolescence and write off of inventories		(493)	3 494
Provision for doubtful receivables and other provisions		1 421	9 053
		344 021	**381 412**
Changes in operating assets and liabilities:			
Accounts receivable		(733)	(4 257)
Inventories		4 663	(724)
VAT recoverable		(9 588)	(2 177)
Accounts payable		(25 981)	(8 972)
Non-cash movements for supplier financing borrowing arrangements	10	51 197	-
Other changes in operating assets and liabilities, net		(806)	(16 370)
Cash flows from operations		**362 773**	**348 912**
Interest paid		(48 651)	(38 987)
Interest received		3 827	4 430
Net interest from cross currency swap	10	9 430	8 570
Income tax paid		(40 892)	(42 060)
Cash generated from operating activities		**286 487**	**280 865**
Investing activities			
Acquisition of property, plant and equipment		(337 564)	(214 392)
Acquisition of exploration and evaluation assets		(44 726)	(29 074)
Acquisition of long-term investments		-	(2 348)
Acquisition of non-controlling interests		(1 881)	(3 799)
Decrease in short-term deposits		70 000	-
Other movements		(7 255)	(563)
Cash used in investing activities		**(321 426)**	**(250 176)**
Financing activities			
Proceeds from borrowings	10	425 000	510 000
Transaction cost paid		(4 158)	(7 461)
GDRs buyback	8	(636)	(101 429)
Repayment of borrowings	10	(470 024)	(375 000)
Dividends paid[14]		(36 156)	(77 570)
Other movements		(1 579)	(3 266)
Cash used in financing activities		**(87 553)**	**(54 726)**
Net decrease in cash and cash equivalents		**(122 492)**	**(24 037)**
Cash and cash equivalents at beginning of the **period**		270 402	286 263
Effect of exchange rate fluctuations on cash and cash equivalents		(9 049)	3 532
Cash and cash equivalents at end of the period		**138 861**	**265 758**

[14] Including US$31.1 million of the total US$53.9 million 2016 dividends declared which were paid during 2017.

NORD GOLD SE

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (UNREVIEWED)
(Amounts in thousands of US dollars, except as otherwise stated)

	Attributable to the shareholders of the Company									
	Share capital	**Share buyback reserve**	**Treasury shares**	**Additional paid-in capital**	**Foreign exchange differences**	**Retained earnings/ (Accumulated losses)**	**Revaluation reserve**	**Total**	**Non-controlling interests**	**Total**
Balance at 1 January 2017	**511 733**	**-**	**-**	**838 198**	**(567 674)**	**200 662**	**24**	**982 943**	**66 366**	**1 049 309**
Profit for the period	-	-	-	-	-	107 126	-	107 126	6 878	114 004
Other comprehensive income for the period, net of tax	-	-	-	-	95 778	-	1 262	97 040	7 389	104 429
Total comprehensive income for the period								204 166	14 267	218 433
Acquisitions of non-controlling interest	-	-	-	-	-	(1 749)	-	(1 749)	(2 050)	(3 799)
Potential share buyback (Note 8)	-	(19 126)		-	-	-	-	(19 126)	-	(19 126)
GDRs buyback (Note 8)	-	-	(101 506)	-	-	-	-	(101 506)	-	(101 506)
Treasury shares cancellation (Note 8)	(39 739)	-	101 429	(65 091)	-	3 401	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	-	-	36 346	36 346
Dividends declared and paid	-	-	-	-	-	(46 430)	-	(46 430)	(1 550)	(47 980)
Balance at 30 September 2017 (unreviewed)	**471 994**	**(19 126)**	**(77)**	**773 107**	**(471 896)**	**263 010**	**1 286**	**1 018 298**	**113 379**	**1 131 677**
Balance at 1 January 2018	**468 873**	**(11 409)**	**-**	**767 995**	**(465 729)**	**302 732**	**1 305**	**1 063 767**	**116 325**	**1 180 092**
Adjustment related to IFRS 9 adoption (Note 2)	-	-	-	-	-	(372)	-	(372)	-	(372)
Adjusted balance at 1 January 2018	**468 873**	**(11 409)**	**-**	**767 995**	**(465 729)**	**302 360**	**1 305**	**1 063 395**	**116 325**	**1 179 720**
Profit for the period	-	-	-	-	-	98 423	-	98 423	10 824	109 247
Other comprehensive loss for the period, net of tax	-	-	-	-	(88 749)	-	(459)	(89 208)	(26 442)	(115 650)
Total comprehensive (loss)/income for the period								9 215	(15 618)	(6 403)
Acquisitions of non-controlling interest	-	-	-	-	-	(1 766)	-	(1 766)	(124)	(1 890)
GDRs buyback (Note 8)	-	636	(636)	-	-	-	-	-	-	-
Treasury shares cancellation (Note 8)	(255)		636	(417)	-	36				
Dividends declared and paid	-	-	-	-	-	(36 156)	-	(36 156)	(2 886)	(39 042)
Balance at 30 September 2018 (unreviewed)	**468 618**	**(10 773)**	**-**	**767 578**	**(554 478)**	**362 897**	**846**	**1 034 688**	**97 697**	**1 132 385**

1. OPERATIONS

Nord Gold SE (the "Company) is incorporated in the United Kingdom as a European Public Limited-Liability Company registered in accordance with the corporate law of the European Union and the UK Companies Act 2006. The Company's registered office is 5th Floor, 6 St. Andrew Street, London EC4A 3AE, United Kingdom. The Company is a public company limited by shares.

As at 30 September 2018 and 31 December 2017, the immediate parent company of the Company was Ocean Management Ltd. ("the Parent Company"), registered in the Luxembourg. The controlling shareholder of the Company is Mr. Alexey A. Mordashov.

The principal activity of the Company and its subsidiaries (together referred to as the "Group") is the extraction, refining and sale of gold. Mining and processing facilities are located in Burkina Faso, Guinea, the Republics of Buryatia and Sakha (Yakutia) and the Amur and Transbaikal regions of the Russian Federation and in Kazakhstan.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation

These interim condensed consolidated financial statements for the nine months ended 30 September 2018 have been prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting* as adopted by the European Union.

The interim condensed consolidated financial statements do not include all of the information required in the annual financial statements. The Group omitted disclosures which would substantially duplicate the information contained in its audited annual consolidated financial statements for the year ended 31 December 2017 prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the European Union, such as the full set of accounting policies and details of accounts which have not changed significantly. The Group has disclosed significant events occurring during the nine months ended 30 September 2018. Management believes that disclosures provided in these interim condensed consolidated financial statements are adequate such that the information presented is not misleading if these interim condensed consolidated financial statements are read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2017.

The information for the year ended 31 December 2017 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and has been extracted from the statutory accounts for the year ended on that date, which have been filed with the Registrar of Companies. The report of the auditor on the statutory accounts for the year ended 31 December 2017 was unqualified and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

Going concern

These interim condensed consolidated financial statements have been prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future.

In assessing its going concern status, the Group has taken account of its financial position, anticipated future trading performance, its borrowings, other available credit facilities, derivative financial instrument and its forecast compliance with covenants on those borrowings and its capital expenditure commitments and plans. As at 30 September 2018, the Group held US$ 138.9 million of cash and cash equivalents and had net debt of US$ 860.4 million.

The Board is satisfied that the Group's forecasts and projections, having taken account of reasonably possible changes in trading performance, show that the Group has adequate resources to continue in operational existence for at least the next 12 months from the date of this report

without material uncertainty and that it is appropriate to adopt the going concern basis in preparing the interim condensed consolidated financial statements for the nine months ended 30 September 2018.

Significant accounting policies

The accounting policies applied in these interim condensed consolidated financial statements are consistent with those of the Group's annual consolidated financial statements for the year ended 31 December 2017, as described in those annual financial statements, with the exception of standards effective as of 1 January 2018. The nature and effect of these changes are described below.

The nature of the critical accounting judgements and key sources of estimation uncertainty made by management of the Group and applied in the accompanying interim condensed consolidated interim financial statements for the nine months ended 30 September 2018 are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended 31 December 2017.

IFRS 9 Financial Instruments

The Group has applied IFRS 9 from 1 January 2018 and has elected not to restate 2017 comparatives on initial application of IFRS 9. The new standard is applicable to financial assets and financial liabilities, and covers the classification, measurement, impairment and de-recognition of financial assets and financial liabilities together with a new hedge accounting model.

During 2017 the Group has undertaken a detailed accounting impact analysis of the new standard based on the nature of the financial instruments it holds and the way in which they are used. The changes for the Group following the adoption of IFRS 9 are as follows:

- Classification and measurement: IFRS 9 establishes a principles based approach to determining whether a financial asset should be measured at amortised cost or fair value, based on the cash flow characteristics of the asset and the business model in which the asset is held. The Group concludes that the classification and measurement basis for its existing financial assets and liabilities remains unchanged under the new IFRS 9 model.
- Impairment: Based on the Group's assessment, the introduction of an 'expected credit loss model' for the assessment of impairment for financial assets held at amortised cost did not have a material impact on the Group's statement of financial position or results, given the relatively low exposure to counterparty default risk as a result of the credit risk management processes that are in place for financial assets. The financial impact on initial adoption was to recognise a pre-tax impairment of US$0.4 million on the Group's consolidated receivables (principally trade receivables). The difference between the previous carrying amount and the impaired carrying amount at 1 January 2018 was recognised through opening retained earnings. Subsequently no significant impact on net income is expected from applying the new impairment model.
- Hedge accounting: On initial application of IFRS 9 an entity may choose, as its accounting policy, to continue to apply the hedge accounting requirements of IAS 39 instead of the hedge accounting requirements of IFRS 9. The adoption of the new standard did not impact the Group as at 1 January 2018 as it holds no existing hedging arrangements, but could provide scope to apply hedge accounting to a broader range of transactions in the future.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use when accounting for revenue arising from contracts with customers. IFRS 15 superseded the revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations being effective for accounting periods beginning on or after 1 January 2018.

The core principle of IFRS 15 is that an entity should recognise revenue in a manner that depicts the pattern of when contractually agreed performance obligations are completed for customers. Performance obligations are defined as "distinct" goods or services. The revenue amount recognised should reflect the consideration amount to which the entity expects to be entitled in exchange for those contractual performance obligations. The new standard requires entities to apportion revenue earned from contracts to individual performance obligations on a relative standalone selling price basis, based on a five-step model. Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

During 2017 the Group has undertaken a detailed accounting impact analysis based on a review of the existing contractual terms of its revenue portfolio streams and internal accounting policies have been developed under IFRS 15.

Under IFRS 15 the revenue recognition model changed from one based on the transfer of risk and reward of ownership to the transfer of control. The Group's revenue is primarily derived from gold sales, for which the point of revenue recognition is dependent on the contractual sales terms. As the transfer of risks and rewards under IAS 18 coincides with the transfer of control at a point in time under IFRS 15 per the Group's existing gold sales contractual terms, the timing and amount of revenue recognised by the Group was not materially affected. The key judgements in reaching this conclusion are that the control of all goods and services (transferred to the customer under a gold sales contract) is satisfied at the point in time when gold delivery is made to the customer and there are no materially distinct performance obligations.

The adoption of IFRS 15 had no impact on the Group's net income, net assets or financial Key Performance Indicators for 2018.

Factoring arrangements

The Group has entered into reverse factoring arrangements with certain suppliers and financial institutions, whereby financial institutions make direct payments to certain suppliers on the Group's behalf for inventory purchases. The Group then reimburses the financial institution and makes payments for any interest and other charges, where applicable, at a later date. The Group is able to extend payment terms for purchases for up to six months under these arrangements compared to up to approximately two months under the previous supplier credit terms. Any liabilities the Group holds under these arrangements are deemed to be financing in nature and are separately classified as 'factoring arrangements' within short term borrowings in the statement of financial position.

Where the credit period extension is obtained directly from the supplier, the economic substance of the transaction is determined to be operating in nature, and these liabilities are recognised as "trade and other payables" of the statement of financial position.

Consistent with the balance sheet presentation, the Group presents cash payments made by the Group to financial institutions under reverse factoring arrangements within financing cash outflows in the statement of cash flows. Inventory purchases from suppliers are disclosed as operating cash flow movements with a simultaneous increase in "Non-cash movements for supplier financing borrowing arrangements" within cash flows from operations. In the case that a transaction is deemed to be operating in nature, all associated cash flows are disclosed within operating activities.

The following new accounting standards are in issue but are not yet effective.

International Accounting Standards (IFRS / IAS)	IASB effective date - periods commencing on or after	EU-endorsed effective date - periods commencing on or after
New standards		
IFRS 16 Leases	1 January 2019	1 January 2019
IFRS 17 Insurance Contracts	1 January 2021	Endorsement outstanding
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019	Endorsement outstanding
Amended standards		
Amendments to IFRS 9: Prepayment features with Negative Compensation	1 January 2019	Endorsement outstanding
Amendments to IFRS10 and IAS 28: Long-term Interests in Associates and Joint Ventures	1 January 2019	Endorsement outstanding
Annual Improvements to IFRS standards 2015-2017 Cycle	1 January 2019	Endorsement outstanding
Amendments to IAS 19: Plan amendments, curtailments or settlements	1 January 2019	Endorsement outstanding
Amendments to IFRS 3: Definition of a business	1 January 2020	Endorsement outstanding

The Group is currently evaluating the impact of adopting these new accounting standards.

Principal risks and uncertainties

The principal risks and uncertainties to which the Group is exposed are the same as those disclosed in the Group's annual financial statements for the year ended 31 December 2017.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities.

The Directors monitor compliance with the Group's risk management policies and procedures and regularly review the adequacy of the risk management framework.

There have been no material changes in the risk profile compared to what was disclosed in the annual consolidated financial statements for the year ended 31 December 2017.

3. SEGMENT REPORTING

The Group has eight reportable segments, as described below, representing the strategic business units. Each strategic business unit is managed separately with relevant results regularly reviewed by the Group's Chief Executive Officer ("CEO"). The following summary describes the operations of each reportable segment:

- *Neryungri and Aprelkovo.* The segment includes gold mining activities in the Republic of Sakha (Yakutia) and the Zabaykalskiy region of the Russian Federation, including open-pit operating mines with the heap-leaching technology for gold processing Tabornoye and Pogromnoye and Gross gold development project. During 2017 the Group disposed Aprelkovo following the bankruptcy of the legal entity.

- *Suzdal and Balazhal*. Includes the Suzdal underground gold mine located in Kazakhstan with flotation, bio-oxidation and carbon-in-leach ("CIL") technology for gold processing and the Balazhal gold deposit in Kazakhstan. During 2018 the Group disposed Balazhal as a result of its sale to third party with immaterial result.
- *Buryatzoloto*. Includes two underground gold mines located in the Republic of Buryatia of the Russian Federation: Zun-Holba with gravity, flotation and carbon-in-pulp ("CIP") technology for gold processing and Irokinda with gravity and flotation technology for gold processing.
- *Berezitovy*. An open-pit gold mine located in the Amur region of the Russian Federation with CIP technology for gold processing.
- *Taparko*. An open-pit gold mine located in Burkina Faso, West Africa with CIL technology for gold processing.
- *Lefa*. Includes the Lefa open-pit gold mine located in Guinea, West Africa with CIP technology for gold processing.
- *Bissa and Bouly*. Open-pit gold mines located in Burkina Faso, West Africa with CIL and heap-leaching technologies for gold processing.
- *Greenfields*. Includes a number of gold deposits at exploration and evaluation stage located in Burkina Faso, Russian Federation, Canada and French Guiana.

Operations of the holding company (Nord Gold SE) and its subsidiaries involved in non-core activities are disclosed as "Other companies", none of which meet the criteria for separate reporting to the Group's CEO.

The Group's CEO uses EBITDA (non-IFRS measure) in assessing each segment's performance and allocating resources. EBITDA represents profit for the period adjusted to exclude income tax expense, finance income, finance costs, depreciation and amortisation, impairment of non-current assets, impairment of work-in progress, net loss on disposal of property, plant and equipment, change in provisions and other expenses/ (income), net.

Business segment assets and liabilities are not reviewed by the chief operating decision maker and therefore are not disclosed in these interim condensed consolidated financial statements.

Segment financial performance

The following is an analysis of the Group's sales and EBITDA by segment:

	Nine months ended 30 September (unreviewed)		Three months ended 30 September (unreviewed)	
	2018	**2017**	**2018**	**2017**
Sales				
Neryungri and Aprelkovo	111 769	62 416	52 946	29 808
Suzdal and Balazhal	81 291	84 951	30 018	29 460
Buryatzoloto	67 393	69 417	17 681	27 434
Berezitovy	50 390	97 548	10 054	31 542
Taparko	99 765	102 493	29 029	25 026
Lefa	191 663	187 401	57 693	58 425
Bissa and Bouly	255 623	296 309	70 809	93 980
Total	**857 894**	**900 535**	**268 230**	**295 675**

Disaggregation of revenue

The key economic factors impacting the nature, timing and uncertainty of revenue and cash are broadly driven by type and geographical location of the customer. Therefore the revenue from contracts with customers has been disclosed by segment.

	Nine months ended 30 September (unreviewed)		Three months ended 30 September (unreviewed)	
	2018	2017	2018	2017
EBITDA by segment				
Neryungri and Aprelkovo	73 947	21 847	36 777	13 319
Suzdal and Balazhal	43 963	50 724	16 736	17 553
Buryatzoloto	6 434	11 668	(697)	7 810
Berezitovy	21 847	53 689	3 398	16 296
Taparko	38 449	32 412	8 383	(936)
Lefa	73 313	77 050	17 506	23 982
Bissa and Bouly	111 907	155 691	24 146	42 830
Greenfields	(55)	(49)	-	(1)
Total EBITDA for reportable segments	**369 805**	**403 032**	**106 249**	**120 853**
EBITDA of other companies	(24 289)	(23 285)	(6 967)	(7 641)
Total	**345 516**	**379 747**	**99 282**	**113 212**

The reconciliation of profit before income tax to the EBITDA:

	Nine months ended 30 September (unreviewed)		Three months ended 30 September (unreviewed)	
	2018	2017	2018	2017
Profit before income tax	**139 595**	**149 881**	**66 279**	**59 028**
Finance income	(3 622)	(4 446)	(557)	(1 628)
Finance costs	81 227	51 176	25 170	2 248
Foreign exchange gain	(20 776)	(1 279)	(23 330)	4 452
Depreciation and amortisation	148 184	159 643	30 604	54 196
Impairment of non-current assets	-	445	-	-
Net loss on disposal of property, plant and equipment	470	341	(134)	18
Work-in-progress impairment recognised in cost of sales	(1 832)	11 853	-	(5 379)
Provision charge for previously recognised contingent liability	-	10 462	-	-
Other expenses	2 270	1 671	1 250	277
EBITDA for the period	**345 516**	**379 747**	**99 282**	**113 212**

4. SALES

	Nine months ended 30 September (unreviewed)		Three months ended 30 September (unreviewed)	
	2018	2017	2018	2017
By product				
Gold	854 508	896 496	267 385	294 416
Silver	3 386	4 039	845	1 259
Total	**857 894**	**900 535**	**268 230**	**295 675**

	Nine months ended 30 September (unreviewed)		Three months ended 30 September (unreviewed)	
	2018	**2017**	**2018**	**2017**
By customer				
Switzerland: MKS Finance S.A.	538 299	483 710	157 530	152 405
Russia: VTB	212 638	159 620	71 169	88 784
Kazakhstan: Tau-Ken Altyn	81 291	84 951	30 018	29 460
Switzerland: Metalor Technologies S.A.	8 752	102 493	-	25 026
Russia: Otkrytie	8 449	69 761	1 048	-
Russia: Sberbank	7 992	-	7 992	-
Russia: Gazprombank	473	-	473	-
Total	**857 894**	**900 535**	**268 230**	**295 675**

5. GENERAL AND ADMINISTRATIVE EXPENSES

	Nine months ended 30 September (unreviewed)		Three months ended 30 September (unreviewed)	
	2018	**2017**	**2018**	**2017**
Wages and salaries	26 963	24 659	8 286	8 032
Professional services	11 389	11 550	3 202	4 150
Depreciation and amortisation	5 076	4 422	1 562	1 709
Other expenses	1 386	1 948	319	640
Total	**44 814**	**42 579**	**13 369**	**14 531**

For the nine months ended 30 September 2018, key management's remuneration, representing short-term employee benefits, amounted to US$ 10.9 million (nine months ended 30 September 2017: US$ 9.4 million).

6. FINANCE INCOME AND COSTS

	Nine months ended 30 September (unreviewed)		Three months ended 30 September (unreviewed)	
	2018	**2017**	**2018**	**2017**
Finance income				
Interest income	3 622	4 446	557	1 628
Total	**3 622**	**4 446**	**557**	**1 628**
Finance costs				
Interest expenses	(46 463)	(49 901)	(13 678)	(17 189)
Derivative net (loss)/incomes	(29 687)	3 787	(11 082)	16 092
Royalties related to West African operations	(2 990)	(2 711)	382	(328)
Other	(2 087)	(2 351)	(792)	(823)
Total	**(81 227)**	**(51 176)**	**(25 170)**	**(2 248)**

Derivative net loss of US$ 29.7 million for the nine months ended 30 September 2018 (nine months ended 30 September 2017: net income of US$ 3.8 million) includes US$ 9.4 million of net interest from the cross currency swap and US$ 39.1 million derivative instrument fair value change with a corresponding US$ 41.0 million financial liability recognised on the statement of financial position as at 30 September 2018 (31 December 2017: US$ 1.8 million financial liability).

7. INCOME TAX

Income tax is accrued based on the estimated average annual effective income tax rate of 24.5% (2017: 23.9%). The increase of the effective tax rate during the nine months ended 30 September 2018 resulted primarily from the recognition of income tax expense related to prior years.

8. EARNINGS PER SHARE

Basic earnings per share for the nine months ended 30 September 2018 were based on the profit attributable to shareholders of the Company of US$ 98.4 million (nine months ended 30 September 2017: US$ 107.1 million) and a weighted average number of outstanding ordinary shares of 339 313 thousand (30 September 2017: 354 697 thousand), calculated as per below (in thousands of shares):

	Issued shares	Weighted average number of shares
1 January 2017	**370 396**	**370 396**
Shares cancelled in May 2017	(28 763)	(15 699)
30 September 2017 (unreviewed)	**341 633**	**354 697**
1 January 2018	**339 374**	**339 374**
Shares cancelled in July 2018	(185)	(61)
30 September 2018 (unreviewed)	**339 189**	**339 313**

In February 2017, the Company announced its intention to cancel the listing of its Global Depositary Receipts ("GDRs") from the official list and from trading on the London Stock Exchange ("LSE") in accordance with Listing Rule 5.2.8 and proposed a plan for de-listing that enabled the minority shareholders to choose whether to exit prior to de-listing or to retain their investment in Nordgold after de-listing. To effect this, the Board agreed to make a tender offer that provided the Company's minority shareholders the ability to choose, at their discretion between:

(a) tendering their GDRs to Nordgold at US$ 3.45 per GDR (representing the 5-day volume weighted average price (VWAP) for the 5 trading days preceding this announcement) at any point from 9 February 2017 until 12.01 am on 16 March 2017 (being five trading days after the anticipated date of the De-listing) (the "GDR Tender Offer"); or

(b) remaining a member of the de-listed Company and:
- receiving the benefit of its consistent returns in the form of dividends, as well as the benefit of any potential re-listing of the Company that might occur in future, which the Board believes will value the Company more accurately; and
- have the additional protection of the right to tender their shares back to Nordgold at US$3.45 per share (representing the 5-day VWAP for the 5 trading days preceding this announcement) on four occasions following the de-listing: after the announcement by the Company of its financial results for each of the half years ending 30 September 2017 and 2018 and for each of the full years ending 31 December 2017 and 2018 (the "Share Tender Offers").

The GDR Tender Offer closed on 16 March 2017 resulting in the cancellation of the listing of the Company's GDRs on the Official List of the Financial Conduct Authority. 28 763 465 GDRs of the Company amounting to US$ 101.4 million were validly tendered under the Tender Offer. This equated to approximately 84% of the GDRs in respect of which the Tender Offer was made. Approximately 16% of the Company's minority shareholders retained their investment in Nordgold

after de-listing. In May 2017, all GDRs, which were purchased in accordance with GDR Buyback process, had been withdrawn from the GDR programme and the treasury shares representing such GDRs were cancelled on 4 May 2017.

On 5 October 2017, all of 22 236 ordinary shares amounting to US$ 0.1 million, which were repurchased during the second Tender Offer conducted in accordance with the circular published on 30 August 2017 and the treasury shares representing these shares, had been cancelled.

On 1 December 2017, all of 2 236 757 ordinary shares amounting to US$ 7.7 million, which remained underlying after the termination of the Nordgold GDR programme, from Deutsche Bank Trust Company Americas and the treasury shares representing these shares, had been cancelled. The repurchase price was determined at US$3.45 per share in accordance with the Circular published on 9 February 2017.

On 2 July 2018, all of 184 338 ordinary shares amounting to US$ 0.6 million, which were repurchased during the Tender Offer conducted in accordance with the circular published on 28 August 2018 and the treasury shares representing these shares, had been cancelled.

Following these transactions, the Company's issued share capital as at 2 July 2018 consisted of 339 189 433 ordinary shares amounting to US$ 468.6 million.

As at 30 September 2018, a US $10.8 million potential share buyback reserve was recognised (31 December 2017: US$ 11.4 million), with a corresponding liability within current accounts payable related to the remaining Company shares owned by non-controlling shareholders, which the Company may be obliged to repurchase under the protective rights offered to the minority shareholders in March 2017.

The table below set outs a summary of the treasury shares cancelled during 2017-2018 and the related movements in the equity:

	Number of shares	Consideration paid during buyback	Share capital reduction	Additional paid-in capital reduction	Retained earnings effect
4 May 2017	28 763 465	101 429	39 739	65 091	(3 401)
5 October 2017	22 236	77	31	50	(4)
1 December 2017	2 236 757	7 717	3 090	5 062	(435)
Total 2017	**31 022 458**	**109 223**	**42 860**	**70 203**	**(3 840)**
2 July 2018	184 338	636	255	417	(36)
Total 2018	**184 338**	**636**	**255**	**417**	**(36)**

9. PROPERTY, PLANT AND EQUIPMENT

During the nine months ended 30 September 2018, the Group acquired items of property, plant and equipment for US$ 371.2 million (nine months ended 30 September 2017: US$ 223.8 million). The increase in acquisition amounts was mainly a result of the Gross mine construction and temporary increase of capital stripping at West African mines.

10. BORROWINGS

	30 September 2018 (unreviewed)	31 December 2017
Short-term borrowings		
Notes and bonds issued	-	448 000
Bank loans	458 428	-
Factoring arrangements	29 101	-
Accrued interest	4 408	6 003
Unamortised balance of transaction costs	(336)	(439)
Total short-term borrowings	**491 601**	**453 564**
Long-term borrowings		
Bank loans	475 000	547 745
Unamortised balance of transaction costs	(8 250)	(6 162)
Total long-term borrowings	**466 750**	**541 583**

Notes and bonds issued

In May 2013, the Company issued US$ 500 million unsecured notes which were repaid at maturity in May 2018. The notes were denominated in US Dollars, mature in May 2018, and base interest of 6.375% per annum payable semi-annually in May and November, commencing November 2013. The notes were unconditionally and irrevocably guaranteed by certain Group subsidiaries.

Bank loans

In December 2016, the Group arranged a US$ 150 million unsecured loan facility from ING Bank N.V. denominated in US dollars maturing in December 2019 with a grace period of 27 months and quarterly repayments thereafter. Interest is payable on a quarterly basis.

In March 2017, the Group's wholly owned subsidiary Celtic Resources Holdings Limited, arranged an unsecured US$ 325 million loan from Sberbank of Russia JSC, maturing in March 2024 with a grace period of 63 months and quarterly repayments thereafter. This new loan was used to repay the
US$ 375 million loan received from Sberbank of Russia JSC in 2014.

The loan is a hybrid instrument consisting of the following separate components:

- Facility A: RUB 18.6 billion two-year loan denominated in Russian rubles, effective from March 2017 until March 2019;
- Cross-Currency swap ("CCS"), under which Celtic Resources Holdings Limited will pay floating interest on US Dollars notional and receive fixed interest on RUB notional starting from March 2017 with the final notional amounts exchanged on maturity in March 2019;
- Facility B: US$325 million five year loan denominated in US dollar, effective from March 2019 until March 2024.

The CSS is conditional on the utilisation of both Facility A and B.

Facility A and the CCS resulted in a cash inflow of US$ 325 million in March 2017 and quarterly interest payments on a US dollar denominated loan.

For the purposes of these interim condensed consolidated financial statements Facility A and the CCS were treated as two separate instruments under IFRS 9 as at 30 September 2018.

As at 30 September 2018, the value of the loan denominated in Russian rubles (held by Celtic Resources Holdings Limited which is a US$ functional currency entity) was US$ 283.5 million and the related CCS derivative financial instrument liability was held at a fair value of US$ 41.0 million and both were reclassified from long-term to short-term borrowings.

In May 2017, the Group entered into a US$ 75 million unsecured loan with AO UniCredit Bank denominated in US dollars maturing in May 2020 with a grace period of 36 months and full repayment thereafter. Interest is payable on a quarterly basis.

In March 2018 the Group secured a new US$300 million, five-year debt facility with a group of banks. The syndicated loan is provided by the following mandated lead arrangers: ING (a branch of ING-DIBA AG), AO Raiffeisenbank, Raiffeisen Bank International AG, PJSC Rosbank, Societe Generale and AO UniCredit Bank. The facility is denominated in US dollars maturing in March 2023 with a grace period of 30 months and quarterly repayments thereafter. Interest is payable on a quarterly basis.

In April 2018, the Group entered a US$75 million unsecured uncommitted revolving credit facility ("RCF") with BANK GPB INTERNATIONAL S.A. denominated in US dollars with final maturity in April 2020. Interest is payable on a quarterly basis. For the purposes of these interim condensed consolidated financial statements this RCF was classified as short-term.

In June 2018, the Group entered into a US$50 million unsecured committed revolving credit facility with Citibank Europe plc denominated in US dollars maturing in June 2020. The amounts drawn down are repayable at different maturities to the final maturity date. Interest is payable on a quarterly basis. For the purposes of these interim condensed consolidated financial statements this RCF was classified as long-term debt.

The bond notes and bank loans average interest rate as at 30 September 2018 was 4.9% (31 December 2017: 5.2%).

The fair value of the Group's debt instruments approximated to their carrying values at 30 September 2018.

Factoring arrangements

As at 30 September 2018, the Group has total liabilities of $29.1 million (31 December 2017: nil) owed to third party financial institutions arising from reverse factoring arrangements which relate to non-inventory purchases made by the Group in West Africa. The liability for these purchases was legally transferred from the supplier providing the non-metal inventories to financial institutions during the period. The liability transferred to financial institutions are disclosed as "Non-cash movements for supplier financing borrowing arrangements" within cash flows from operations in the statement of cash flows. Actual payments to financial institutions are disclosed as "Repayment of borrowings" line item within cash used in financing activities in the statement of cash flows.

11. RELATED PARTY TRANSACTIONS AND BALANCES

Transactions with entities under common control mainly included purchases of goods and services and were the following:

	Nine months ended 30 September (unreviewed)		Three months ended 30 September (unreviewed)	
	2018	2017	2018	2017
Purchases of:				
Operating expenses	4 164	2 284	2 120	603
Capital expenditures	385	4 910	175	4 304

As at 30 September 2018, balances with entities under common control included accounts payable of US$ 0.9 million (31 December 2017: US$ 2.6 million), which are to be settled in cash.

12. FAIR VALUES

The table below analyses financial instruments carried at fair value, except financial instruments measured at amortised cost, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2
Balance at 30 September 2018		
Available-for-sale financial assets	7 377	-
Derivative financial instrument	-	(40 952)
Balance at 31 December 2017		
Available-for-sale financial assets	7 949	-
Derivative financial instrument	-	(1 835)

At 30 September 2018 and 31 December 2017, the Group did not have any Level 3 financial instruments. The fair value of the Group's financial assets and liabilities carried at amortised cost approximated to their carrying values at 30 September 2018. The fair value of the Group's financial assets and liabilities carried at amortised cost approximated to their carrying values at 31 December 2017 except for the fair value of bonds which had a market value of US$ 453 million and were redeemed in May 2018 (Note 11). The valuation of the derivative financial instrument incorporates the Group's credit risk, time to maturity and risk free rate.

13. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 30 September 2018, the Group had contractual capital commitments of US$ 67.5 million (31 December 2017: US$ 77.1 million) related to purchases of property, plant and equipment predominantly related to construction of the Gross mine as at 30 September 2018.

Operating environment

A significant portion of the Group's operations is based in the Russian Federation and is consequently exposed to the economic and political effects of the policies adopted by the Russian Federation government. Operations in the Russian Federation involve risks that typically do not exist in other markets. In addition, the contraction in the capital and credit markets and its impact on the Russian economy has further increase the level of economic uncertainty in the environment.

Starting from 2014, sanctions have been imposed in several packages by the U.S. and the E.U. on certain Russian officials, businessmen and companies. This led to reduced access of the Russian Federation businesses to international capital markets, economic recession and other negative consequences. The impact of further economic developments on future operations and financial position of the Group's Russian Federation subsidiaries is difficult to determine at this stage. No impact of these circumstances is expected on the Group's subsidiaries located in other countries.

The Group also conducts business in Kazakhstan, Burkina Faso and Guinea. Each of these countries are subject to significant economic, political and social risks. These risks include matters arising from the policies of the government, economic conditions, the imposition of, or changes to, taxes and regulations, foreign exchange fluctuations and the enforceability of contract rights.

The interim condensed consolidated financial statements reflect management's assessment of the impact of the Russian, Kazakhstan, Burkina Faso and Guinean business environment on the operations and the financial position of the Group. The future developments in political and economic environment in the countries where the Group operates may differ from management's assessment.

Legal proceedings

The Group operates in various jurisdictions, and accordingly is exposed to numerous legal risks. The Group entities are currently and may be from time to time involved in a number of legal proceedings, including inquiries from and discussions with governmental authorities that are incidental to their operations. The material current proceedings related to taxation are discussed below. The outcome of currently pending and future proceedings cannot be predicted with certainty. An adverse decision in a lawsuit could result in additional costs and could significantly influence the business and results of operations.

At 30 September 2018, management estimated the total amount of potential non-tax legal proceedings at US$ 1.0 million (31 December 2017: US$ 5.5 million). Management assesses the likelihood of unfavourable outcome as possible and therefore provision was not recognised in the interim condensed consolidated financial statements.

Tax contingencies

The taxation system and regulatory environment of the Russian Federation, Kazakhstan, Burkina Faso and Guinea are relatively new and characterised by frequently changing legislation, which is often unclear, contradictory and subject to varying interpretations between the differing regulatory authorities and jurisdictions. Events during recent years suggest that the regulatory authorities within these countries are adopting a more assertive stance regarding the interpretation and enforcement of legislation. This situation creates substantial tax and regulatory risks.

As at 30 September 2018, management has identified the following tax risks where unfavorable outcome was assessed as possible:

Russian Federation

Total amount of potential claims from Russian tax authorities was nil (31 December 2017: nil).

Burkina Faso

Total amount of various tax risks of Group's entities located in Burkina Faso, which may lead to negative consequences, was estimated at US$ 9.3 million (31 December 2017: US$ 9.6 million).

Guinea

Total amount of tax risks of Société Minière de Dinguiraye located in Guinea, which may lead to negative consequences, was estimated at US$ 28.6 million (31 December 2017: US$ 24.1 million).

Other jurisdictions

Guinor, a subsidiary of the Group, which is a Canadian tax resident, is exposed to tax risks up to US$ 15.2 million (31 December 2017: US$ 14.7 million).

No provision was recognised in the interim condensed consolidated financial statements in respect of the tax risks listed above.

14. EVENTS AFTER THE REPORTING PERIOD

On 5 October 2018, all of 2 905 207 ordinary shares amounting to US$ 10.0 million, which were purchased during the Tender Offer conducted in accordance with the circular published on 28 August 2018, were cancelled.

Following these transactions, the Company's issued share capital as at 5 October 2018 consisted of 336 284 226 ordinary shares amounting to US$ 464.6 million.

On 06 November 2018, the Board of Directors approved an interim dividend of 2.75 US cents per share in respect of the three months ended 30 September 2018, representing a total pay-out of US$ 9.3 million.