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This document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by the UK Financial Conduct Authority or any other competent authority.

NORD GOLD SE

(incorporated under Council Regulation (EC) No. 2157/2001 and registered in England and Wales with registered number SE000102)

SHAREHOLDER CIRCULAR

PROPOSED CAPITAL REDUCTION

AND

NOTICE OF GENERAL MEETING

Your attention is drawn to the letter from the Chairman of the Company set out in this document and which contains the Directors' unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.

Notice of a General Meeting of the Company, to be held at the offices of Celtic Resources Holdings Limited, Fetcham Park House, Lower Road, Fetcham, Leatherhead, Surrey, KT22 9HD at 10 a.m. on 18 November 2016 is set out on pages 8 to 10 of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company by no later than 10 a.m. on 16 November 2016. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

A copy of this document is available at the Company's website at www.nordgold.com. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<u>Date</u>
Publication of this document	2 November 2016
Latest time and date for receipt of individual Forms of Proxy.....	10 a.m. on 16 November 2016
Record date for attendance at the General Meeting.....	10 a.m. on 16 November 2016
General Meeting	10 a.m. on 18 November 2016
Initial directions hearing	28 November 2016
Court Hearing to confirm the Capital Reduction.....	7 December 2016
Registration of Court order and Capital Reduction effective date	8 December 2016

Future times and dates are indicative only and are subject to change by the Company. If the expected timetable of events changes materially from the above, the Company will release an announcement to this effect. The Capital Reduction is subject to the passing of Resolutions 1 and 2, as set out in the GM Notice, at the General Meeting and the confirmation of the Capital Reduction by the Court.

References to time in this document are to GMT.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions (including the intention to declare dividends in the future), beliefs or expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Group’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

Board or Directors means the board of directors of the Company;

Capital Reduction means the proposed reduction of share capital in the Company and cancellation of the amount standing to the credit of the share premium account of the Company pursuant to Resolutions 1 and 2 as set out in the GM Notice;

Court means the High Court of Justice in England and Wales;

Court Hearing means the hearing by the Court to confirm the Capital Reduction;

Company means Nord Gold SE;

Companies House means the Companies Registry for England and Wales;

Form of Proxy means the form of proxy for use in connection with the General Meeting which accompanies this document;

GDR means a global depositary receipt representing an interest in an Ordinary Share;

General Meeting means the general meeting of the Company, to be held at 10 a.m. on 18 November 2016 at the offices of Celtic Resources Holdings Limited, Fetcham Park House, Lower Road, Fetcham, Leatherhead, Surrey, KT22 9HD, or any adjournment thereof;

GM Notice means the notice of the General Meeting which is set out on pages 8 to 10 of this document;

GMT means Greenwich Mean Time;

Group means the Company and its subsidiaries;

Ordinary Shares means ordinary shares of €2.50 each in the capital of the Company;

Resolutions means the shareholder resolutions set out in the GM Notice;

SE means *Societas Europaea* or European Company, a public limited liability company created under the terms of the SE Regulation;

SE Regulation means Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European Company;

Shareholders means the holders of the Ordinary Shares; and

Statutes means the articles of association of Nord Gold SE that are governed by English law and the SE Regulation;

In this document, references to “Euros” and “€” are references to the lawful currency of the euro area of the European Union, and references to “Dollars” and “\$” are references to the lawful currency of the United States of America. All times referred to in this document are, unless otherwise stated, references to London time.

CHAIRMAN'S BACKGROUND TO CAPITAL REDUCTION

NORD GOLD SE

*(incorporated under Council Regulation (EC) No. 2157/2001 and registered
in England and Wales with registered number SE000102)*

Dear Shareholder,

1. Introduction and Background

I am writing to you in connection with a proposed Capital Reduction of the Company's share capital and share premium account and to give you further details regarding the reasons for the Capital Reduction.

As Shareholders will be aware, the Company transferred its registered office from the Netherlands to the United Kingdom in May and June of this year. This was, among other things, in order to bring the Company closer to its investor community in London and was a step towards the Company's longer term strategy to seek a premium listing on the London Stock Exchange and FTSE Index inclusion.

A consequence of the transfer to the United Kingdom is that the Company's distributable reserves have become negative, with negative reserves of \$373,076,051 as at 31 October 2016. The creation of negative reserves is attributable to the differing approaches to the treatment of distributable reserves under the laws of the Netherlands, which applied to the Company prior to the migration, and the laws of England and Wales, which apply to the company following the migration. Under the laws of the Netherlands, distributable reserves are calculated on a consolidated Group basis, whereas under the laws of England and Wales distributable reserves are calculated on an individual company basis.

At an individual company level, the Company's current negative reserves accumulated because the Company has made historical interest payments and dividend distributions on behalf of the Group without its own distributable reserves. This is common under Dutch law, where no positive reserves at a holding company level are required to make dividend distributions (the Company instead relying on realised profits made by its subsidiaries to make such distributions). Under English law, however, these historical payments eroded the Company's distributable reserves position, given that a UK company must either create distributable reserves or have realised profits available on its own account before making any distributions.

As announced by the Company previously on 30 August 2016, the Company is, therefore, currently unable to pay dividends to its Shareholders in accordance with its stated dividend policy.

In order to remedy the situation and to put the Company in a position of being able to pay dividends, the Directors are proposing to create distributable reserves through a reduction of the Company's share capital and share premium. More specifically, the Company is proposing:

- (a) a reduction in the nominal value of each of the Ordinary Shares from €2.50 to €1.00, equivalent to a reduction of the Company's share capital of €555,594,343.50 in aggregate; and
- (b) a cancellation of the \$31,267,026.20 standing to the credit of the Company's share premium account.

The reduction in the Company's share capital and the cancellation of the amount standing to the share premium account will, following the elimination of the Company's negative distributable reserves, result in the Company having positive distributable reserves of \$425,790,181.

Under the UK Companies Act 2006, Shareholder approval is required to carry out this Capital Reduction and the Capital Reduction is therefore conditional upon such approval, which is being sought at the General Meeting. It is also conditional upon the consent of the Court. There is no guarantee that the Court will approve the Capital Reduction.

In addition, the Company will be effecting an intra-group transfer of various subsidiaries to another wholly owned subsidiary in order to be able to recognise the increase since 2007 in the fair value of those subsidiaries. This will enable the Company to create up to \$1.8 billion of additional distributable reserves (subject to final valuations being completed by the Company's accountants EY), being an amount equal to the difference between the current book value of the subsidiaries, as recorded in the Company's individual accounts, and their fair value. The Company intends to complete the intra-group transfer during the financial year ending 31 December 2017, although the creation of distributable reserves resulting from the transfer may occur over time as and when the Directors believe it appropriate to create such reserves. In due course, the Directors plan to obtain external financing which will, among other things, be used to create part of the distributable reserves available to the Company after the intra-group transfers take place.

The combined effect of the Capital Reduction and the intra-group transfer will be to create up to \$2.3 billion of distributable reserves, following the elimination of the existing negative distributable reserves, from which the Company intends to pay an interim dividend this year in accordance with its dividend policy and which will provide the Company with positive reserves from which the Company will be able to pay dividends in the future.

You will have the opportunity to vote on the proposals regarding the Capital Reduction at the General Meeting. Both Resolutions 1 (Reduction of Capital) and 2 (Cancellation of Share Premium Account) are relevant for this purpose.

2. General Meeting

Set out on pages 8 to 10 of this document is a notice convening the General Meeting to be held on 18 November 2016 at the offices of Celtic Resources Holdings Limited, Fetcham Park House, Lower Road, Fetcham, Leatherhead, Surrey, KT22 9HD at 10 a.m. at which the Resolutions will be proposed:

- (a) Resolution 1, which will be proposed as a special resolution, is to reduce the nominal value of the Ordinary Shares; and
- (b) Resolution 2, which will be proposed as a special resolution, is to cancel the Company's share premium account.

3. Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company at Nord Gold SE, 5th Floor 6 St Andrew Street, London, EC4A 3AE as soon as possible, but in any event so as to be received by no later than 10 a.m. on 16 November 2016. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

4. Recommendation

The Board considers the Capital Reduction to be in the best interests of the Company and its Shareholders as a whole and the Board unanimously recommends that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out on pages 8 to 10 of this document.

Yours faithfully

David Morgan

Chairman, Nord Gold SE