



PERSEVERANCE

REPORT ON ACTIVITIES FOR THE QUARTER ENDING 30 SEPTEMBER 2007

QUARTERLY REPORT

KEY POINTS:

IMPORTANT ANNOUNCEMENT

Perseverance announced on 29 October that it had entered into a binding Merger Implementation Agreement that provides for the acquisition of Perseverance by a Canadian company, Northgate Minerals Corporation. The transaction will be implemented via schemes of arrangement between Perseverance and its shareholders and option holders, respectively (the "Schemes"), and a resolution of holders of convertible subordinated notes to approve the early redemption of the notes. Under the Schemes, a wholly owned subsidiary of Northgate will acquire all of the outstanding fully paid ordinary shares in Perseverance and the Company's options will be cancelled. In addition, under the resolution of holders of convertible subordinated notes, the convertible subordinated notes will be cancelled.

Under Northgate's offer, Perseverance security holders will receive:

- A\$0.20 cash per ordinary share;
- A\$0.08 cash for each of the Perseverance options issued as part of the recent A\$26.5 million placement; and
- A\$100,000 (face value) plus any accrued interest per convertible subordinated note.

Operations:-

- Gold production for the September quarter was 43,391 oz at a cash cost of \$597 per oz.

Fosterville:-

- Underground development 1,676 metres of decline and lateral development.
- Total gold production 19,981 oz, an increase of 23% over the previous quarter.
- Cash cost \$677 per oz, an increase of 9% over the previous quarter.

Stawell:-

- Gold production 23,410 oz, a decrease of 8% against the previous quarter. Gold production was in line with mine plans.
- Cash cost \$529 per oz, a reduction of 8% from the previous quarter.

Exploration:-

- Resources increased by 23% over the 12 months to the end of June 2007 to 37.8 million tonnes at 3.1 g/t Au containing 3,723,000 oz gold. Company Reserves (within Resources) grew by 12% to 8.1 million tonnes at 4.3 g/t Au containing 1,121,000 oz of gold.
- At Stawell ongoing drilling has further extended the high grade GG6 mineralisation. Results received this quarter include 11.3 metres at 13.1 g/t Au in hole MD5094 and 24.7 metres at 7.1 g/t Au in hole MD5078.
- Underground drilling at Fosterville has identified a new mineralised zone between the Fosterville Fault and the Phoenix Fault, the Shamrock Zone [Figure 3]. Drilling has extended the known strike of this zone to 150 metres with recent intersections including 12.4 metres at 23.2 g/t Au in hole UD051 and 11.7 metres at 18.9 g/t Au in hole UD109.

Perseverance Corporation Limited

ABN 13 010 650 049
117 Wills Street, Bendigo VIC 3550
Tel: 61 3 5442 7755
Fax: 61 3 5442 3955
Email: info@perseverance.com.au
Web Site: www.perseverance.com.au

For further information please contact:

John Quinn Chairman
M: +61 412 381 081

Brian Phillips Deputy Chairman
M: +61 402 298 022

JOHN C QUINN
CHAIRMAN

- OPERATIONS -

CONSOLIDATED PRODUCTION SUMMARY

The Company produced a total of 43,391 oz gold for the September quarter (a 4% increase on the June quarter) at a cash cost of \$597 per oz. A summary of the consolidated physicals is shown in Table 1.

TABLE 1: CONSOLIDATED QUARTERLY PRODUCTION SUMMARY

	Unit	3 months ended 30 Sep 2007	3 months ended 30 Jun 2007	3 months ended 31 Mar 2007	3 months ended 31 Dec 2006
Gold production	oz	43,391	41,819	51,394	48,901
ROM stocks	oz	13,554	20,344	17,800	24,000
Total Cash Cost	A\$/oz	597	592	481	464

Operating costs were in line with budgets. The unit cash cost was higher than expected

due mainly to lower open pit production at Fosterville. This open pit ore is scheduled to

be produced in the December 2007 quarter and is additive to the original production plan.

MINERAL RESERVES AND RESOURCES [FIGURE 1]

Mineral Resources and Reserves were reported in detail in the 2007 Annual Report released on 11 October. Overall company Resources increased by 23% over the 12 months to the end of June 2007 to 37.8 million tonnes at 3.1 g/t Au containing 3,723,000 oz gold. Company Reserves (within Resources) grew by 12% to 8.1 million tonnes at 4.3 g/t Au containing 1,121,000 oz of gold.

At Fosterville Resources were 32.3 million tonnes at 3.0 g/t Au containing 3,121,000 oz gold. Within this, the mining reserve was 5.9 million tonnes at 4.4 g/t Au for 838,000 oz gold. This is a reduction in Reserve of 17% over the previous year. Most of the reduction was the result of mine depletion with very little resource definition work done during the past year.

At Stawell Resources were 5.5 million tonnes at 3.4 g/t Au for 602,000 oz gold contained. The mining reserve was 2.2 million tonnes at 4.0 g/t Au containing 283,000 oz gold. The last published Reserve at 31 December 2005 was 431,000 oz implying a reduction of 148,000 oz. Over that period gold production was 164,000 oz.

FOSTERVILLE GOLD MINE

The Fosterville operations achieved a record 1,676 metres of decline and lateral development for the September Quarter with total gold production 19,981 oz.

that predict increased continuity as development approaches the core of the orebody.

Also significant during the quarter was the intersection of the new Shamrock mineralisation in a previously unrecognised mineralised position.

A production summary is shown in Table 2.

The Phoenix orebody was accessed on two new levels – the 4980 and 4960 levels. The results from this development highlighted more continuous grade and lode thickness compared to the upper levels accessed previously. These observations support the geological models

TABLE 2: FOSTERVILLE QUARTERLY PRODUCTION SUMMARY

	Unit	3 months ended 30 Sep 2007	3 months ended 30 Jun 2007	3 months ended 31 Mar 2007	3 months ended 31 Dec 2006
Ore mined	t	205,394	289,259	149,648	299,709
Grade	Au g/t	3.5	2.8	2.8	3.1
Ore treated	t	220,397	257,481	240,465	253,769
Grade	Au g/t	3.4	2.7	2.9	3.2
Gold production	oz	19,981	16,248	17,951	22,085
ROM stocks	oz	13,554	20,344	17,800	24,000
Total Cash Cost	A\$/oz	677	620	610	450

The Shamrock discovery is associated with the Fosterville Fault and has to date been identified over a strike length of 150 metres. Drilling is continuing to define the extent of the mineralisation and no estimates of the resource potential are yet available.

Open Pit Mining

Mining of the northern pod of the Harrier pit was completed to 5,073mRL (compared to a design depth 5,071mRL). Mining of the southern pod is currently at the 5,090mRL (design 5,071mRL). Total ore mined for the quarter from the Harrier pit was 87,435 tonnes at 2.72 g/t Au.

A focus has been placed on defining new open pit targets at Fosterville. Concept optimisation work was undertaken on John's pit which indicates a potential for two small pits of predominantly oxide and transitional ore.

Underground Mining

Development of the Phoenix and Falcon underground operations achieved 1,676 metres of advance for the quarter. This

performance is in line with expectation and reflects the revised mine plan completed in June.

Ore production for the quarter was 117,959 tonnes at 4.0 g/t Au. This represents an 11% increase in tonnes and a 15% increase in grade compared to the previous quarter. The Falcon cave front continues to perform to expectation and Phoenix stoping has reached the 4998 level. Phoenix stoping operations concentrated mainly on the margins of the orebody above the 5020 level whilst the ore drive development progressed in the higher grade and wider core of the orebody at the 4980 level. Driving south on the 4980 level intersected 75 metres grading over 18 g/t Au [Figure 4].

Work commenced on the development of the Phoenix primary vent shaft. This work is scheduled to be completed during the December 2007 quarter.

Development of the Ellesmere Portal commenced late in the quarter, opening what will be a second decline access to Phoenix

and allowing development of the Ellesmere resource.

Treatment Plant

Plant throughput for the September quarter was 220,397 tonnes. Milled grade averaged 3.4 g/t Au with total gold production 19,981 oz, a 23% increase on the previous quarter driven by an improvement in the mill feed grade and improved metallurgical recovery.

Flotation recoveries were in line with expectation averaging 94.7%, and BIOX[®] sulphide oxidation levels continued to be over 96%. CIL recoveries averaged 84%, influenced by the planned campaign treatment of high preg-robbing ore. Overall plant recovery was 76.8%. This aspect of the operation is a major focus for improvement.

STAWELL GOLD MINE

Underground Mining

172,019 tonnes at 4.7 g/t Au were produced against plan of 170,242 tonnes at 4.3 g/t Au. GG3 stope production commenced with favourable grade reconciliation. GG1 stoping is nearing completion as GG5L access development is established.

Development into the GG3 and GG5 lower ore bodies continued. Total development advance was 1,330 metres. Vertical advance (the critical path) was on plan.

Treatment Plant

Plant throughput was 181,971 tonnes at 4.6 g/t Au producing 23,410 oz. Gold recovery at 88% was better than the forecast 85%. As anticipated, overall recovery was lower than the long term forecast caused by treatment of some previously identified high preg-robbing ore.

TABLE 3: STAWELL QUARTERLY PRODUCTION SUMMARY

	Unit	3 months ended 30 Sep 2007	3 months ended 30 Jun 2007	3 months ended 31 Mar 2007	3 months ended 31 Dec 2006
Ore mined	t	172,019	162,725	164,837	137,079
Grade	Au g/t	4.7	4.8	7.2	6.3
Ore processed	t	181,971	180,338	188,860	176,886
Grade	Au g/t	4.6	4.9	6.1	5.2
Gold production	oz	23,410	25,570	33,443	26,816
ROM stocks	oz	-	-	-	-
Total Cash Cost	A\$/oz	529	574	411	458

SAFETY AND ENVIRONMENT

As at 30 September 2007, the Stawell operation was 41 days LTI free (LTIFR 5.4) and Fosterville 30 days LTI free (LTIFR 5.0).

A lost time injury occurred at Stawell where an underground miner was struck by a rock whilst charging a development heading.

There were two lost time injuries at Fosterville during the quarter: An Exploration Field Technician suffered a laceration and broken bones in his right index finger whilst conducting core cutting operations, and an

underground electrician suffered a severely sprained ankle whilst walking down the decline.

Note: LTI is Lost Time Injury – an injury that resulted in an employee being unable to attend work for a period of one or more shifts.

FR is Frequency Rate - calculated as events per million hours worked on a rolling 12 month basis.

SAFETY SUMMARY

	Sep 07 Qtr LTI	Sep 06 Qtr LTI	Sep 07 Qtr LTIFR	Sep 06 Qtr LTIFR
Fosterville	2	1	5	11.4
Stawell	1	1	5.4	4.6

- EXPLORATION -

Reduced levels of exploration resulted in expenditure for the September Quarter of \$801,281. Limited drilling activity resumed during the quarter testing the GG6 target at Stawell and upgrading the Falcon North resource at Fosterville.

A total of 2,895 metres of diamond drilling was completed.

FOSTERVILLE

Fosterville Trend

Perseverance remains committed to exploring for extensions and repeats of the Fosterville gold deposits. The Fosterville gold mineralised system now contains an identified gold endowment of over 3.5M oz with gold mineralisation identified over a strike length of some 80 kilometres, well beyond the limits of identified resources of the Fosterville Gold Mine. Development of a sound geological model combined with the very fine grained disseminated gold distribution has allowed resources to be identified at a relatively low cost.

As the exploration effort continues to gain momentum, the focus is planned to remain on

rapidly identifying and developing resources in the immediate Fosterville Gold Mine area of a scale that would sustain increased production levels. Reduced drilling activity this quarter has allowed exploration staff to provide assistance to the mine geology team in developing and improving data collection and interpretation systems. In addition, significant progress has been made in geological modelling and resource estimation in deposits which currently fall outside the existing mine plan.

Fosterville Mine Area [Figure2]

Central Area

Falcon North

A six hole program designed to increase confidence in the down-plunge continuation of the Falcon Lode to the north commenced and results to date confirm the continuity of the Falcon mineralisation a short distance beyond the limit of the current mine plan. Consideration will be given to further extension of this program subject to the interpretation of new data. Results include 2.5 metres at 4.9 g/t Au from 201 metres in hole SPD474 and 4.4 metres at 5.7 g/t Au from 194 metres in hole SPD476.

John's Pit Extension

Following from drilling completed in the previous quarter, geological modelling and resource estimation resulted in a small upgrade to the John's Pit resource. A small open pit may be economic.

Southern Area

Wirrawilla

Geological interpretation and modelling of recent drilling data resulted in a new inferred resource estimate for the Wirrawilla area between 5180N and 6150N. The resource for this area is now 4.9M tonnes at 3.3 g/t Au for 515,000 oz Au at a 2.0 g/t Au cut-off. The resource is based on a scoping diamond drill hole density of 100 metres north-south x 50 metres down-dip and takes into consideration recent geological interpretations. This resource represents a substantial upgrade of the previously announced resource for Wirrawilla, and remains open at depth and down plunge. It is proposed to increase the drillhole density in this area in the current year.

Northern Area

Farley's-Sharkey's

Additional drilling extended the Farley's mineralisation to include the southern portion of the previously mined Sharkey's oxide pit.

STAWELL CORRIDOR

The Stawell Goldfield, characterised by quartz-sulphide lode style mineralisation controlled by basalt domes has an estimated gold endowment of over 5M oz Au. At least seven similar basalt domes, the key litho-structural feature controlling gold mineralisation, have been discovered, each with drillholes confirming the presence of Stawell style gold mineralisation. This extensive mineral field is covered by a substantial tenement holding which surrounds the current Stawell operations and extends north-south for over 250kms. Large areas of these tenements are obscured by mostly

shallow overlying sediments (north) and basalts (south) which prevented early prospectors from discovering mineralisation in these areas.

Stawell Mine Area

Drilling of key near-mine targets resumed during the quarter to build on the work reported last quarter. This drilling is focused on priority targets identified earlier this year following a review of targets within the near mine environment.

GG6 Target [Figure 5]

Recent drilling results continue to extend the high grade mineralisation in the GG6 target that was reported last quarter and in a recent release to the market. This mineralisation is

located below the previously defined GG5 ore zone. The drilling has revealed two distinct zones, a high grade basalt contact zone and a stockwork zone. One diamond drill rig is currently operating around the clock, continuing a program to further delineate the extent of mineralisation within the GG6 target area. Results received this quarter indicate a zone of high grade mineralisation of at least similar extent to the GG5 orebody. Drilling is planned to outline the extent of the GG6 mineralisation and to provide information to allow preliminary resource models to be developed during the December quarter.

Significant intersections received during the quarter are listed below.

Table 4: Stockwork Intercepts for GG6 drilling

Hole No.	From	To	Interval	Grade	Mine Grid	RL
	m	m	m	g/t Au	Section Nth	m
MD5077A	376.2	377.6	1.4	12.3	6055	-1561
MD5077A	382.6	388.1	5.5	3.1	6059	-1567
MD5078	332.4	340.6	8.2	10.3	6023	-1556
MD5094	307.4	308.4	1.0	9.83	6047	-1530
MD5094	329.9	331.0	1.1	8.4	6051	-1549
MD5104	328.7	331.9	3.2	5.7	6092	-1548
MD5105	247.0	251.8	4.8	3.1	5860	-1463
MD5105	254.3	255.8	1.5	3.9	5858	-1467

Table 5: Basalt Contact Intercepts for GG6 drilling

Hole No.	From	To	Interval	Grade	Mine Grid	RL
	m	m	m	g/t Au	Section Nth	m
MD5077A	397.1	405.3	8.2	8.0	6066	-1582
MD5078	358.4	383.1	24.7	7.1	6025	-1587
including	372.8	382.4	9.6	13.8	6025	-1590
MD5094	352.8	364.1	11.3	13.1	6055	-1573
including	360.5	364.1	3.6	23.1	6055	-1577
MD5104	349.4	357.0	7.6	7.8	6100	-1567
including	349.4	352.7	3.3	14.7	6100	-1566

Notes:

1. The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves has been compiled by Mr Simon Hitchman and Mr Ian Holland, members of the Australasian Institute of Mining and Metallurgy, who have a minimum of five years in the estimation, assessment, and evaluation of mineral resources and ore reserves.

2. Simon Hitchman and Ian Holland have significant experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Simon Hitchman and Ian Holland consent to the inclusion in this report of these matters based on the information in the form and context in which it appears.

3. All intersections are quoted as length weighted average grades and down-hole intervals. Whilst true widths have not been finally determined, intersections are interpreted as being less than 45° from perpendicular to the mineralised structure.

- CORPORATE -

Perseverance and Northgate announce Merger Implementation Agreement

Perseverance announced on Monday October 29 that it has signed a Merger Implementation Agreement ("MIA") pursuant to which Northgate Minerals Corporation will acquire all outstanding securities and debt of Perseverance for cash consideration (the "Transaction").

The Transaction will be implemented via schemes of arrangement between Perseverance and its shareholders and option holders, respectively (the "Schemes"), and a resolution of holders of convertible subordinated notes to approve the early redemption of the notes. Under the Schemes, a wholly owned subsidiary of Northgate will acquire all of the outstanding fully paid ordinary shares in Perseverance and the Company's options will be cancelled. In addition, under the resolution of holders of convertible subordinated notes, the convertible subordinated notes will be cancelled.

Under Northgate's offer, Perseverance security holders will receive:

- A\$0.20 cash per ordinary share;
- A\$0.08 cash for each of the Perseverance options issued as part of the recent A\$26.5 million placement; and
- A\$100,000 (face value) plus any accrued interest per convertible subordinated note.

The Northgate offer of A\$0.20 per share provides substantial value to Perseverance shareholders and represents:

- a 37.9% premium to the Perseverance closing share price on 26 October 2007 of A\$0.145;
- a 37.1% premium to the one month volume weighted average price of A\$0.146; and
- a 51.4% premium to the volume weighted average price of A\$0.132 since 12 July 2007, the day.

Perseverance was reinstated to official quotation on the ASX, following the completion of the A\$26.5 million placement.

Northgate has also agreed to acquire all of Perseverance's existing bank debt (amounting to A\$33.5 million) and to provide a new bridging facility of up to A\$25.0 million. Northgate has also agreed to acquire the bank's exposure of approximately A\$48.0 million to Perseverance's gold hedges and subsequent to the close of the Transaction, Northgate will close out this hedge position.

Perseverance Directors have unanimously determined that the Transaction is in the best interests of security holders and unanimously recommend that all Perseverance shareholders and option holders vote in favour of the Schemes and that convertible subordinated note holders approve the early redemption of the notes in the absence of a superior proposal.

Full details of this proposal are contained in the October 29, 2007 announcement which is appended to this Report

Cash Assets and Finance

Group cash and gold on hand at the end of the quarter was \$22.7 million. A total of 43,312 oz Au was sold during the quarter, at an average price of A\$746 per oz. During the quarter, the Company in consultation with ANZ Banking Group Limited temporarily increased the Company's debt facility by \$5 million to \$30 million. At the end of the quarter, approximately \$1.9 million of the original debt facility of \$25 million had not been drawn and there were no drawings under the additional \$5 million facility.

Gold Hedging

As at 30 September 2007, the Group had 164,375 oz of flat forward sale contracts at A\$626 per ounce. The marked-to-market value of the hedge book as at 30 September 2007 was negative \$43.6 million.

Appointment and Resignation of Directors

On 10 August 2007, the Company announced the resignation of Mr Graeme Sloan as Managing Director and Chief Executive Officer. On 27 August 2007, the Company announced the resignation of Mr John Robinson as a Director and on 6 August 2007, the resignation of Dr Robin George as a Director.

On 20 September 2007, the Company announced the appointment of Mr John Rowe to the Board of the Company.

Placement

On 12 July 2007, the Company announced that it had completed a \$26.5 million placement to institutional and sophisticated investors. The placement involved the issue of approximately 177 million fully paid ordinary shares at \$0.15 per share with one attaching option per share issued. The options have an exercise price of \$0.15 and a term to expiry of 31 August 2009. A General Meeting of shareholders held on 24 August 2007 approved the issue of the shares and options.

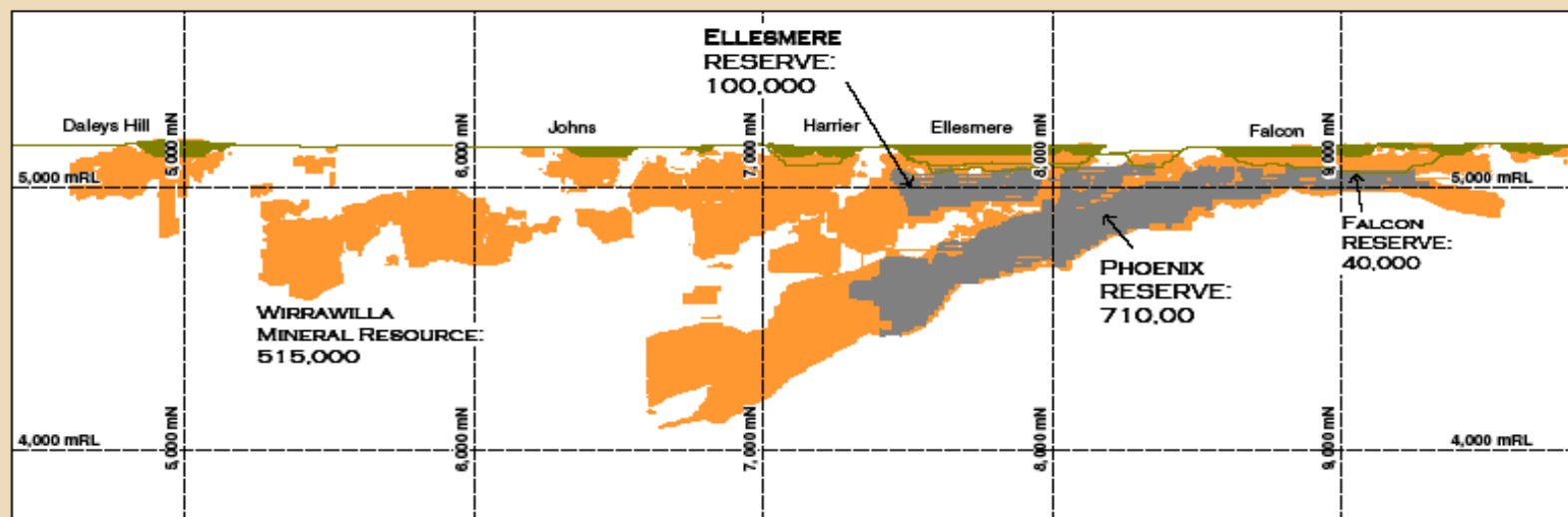
Annual General Meeting

The Annual General Meeting of the shareholders of the Company will be held in the Plenary Room at the Oaks On Market, 60 Market Street, Melbourne, Victoria on 14 November 2007 commencing at 10:00 a.m.



First Blast Ellesmere Portal
Fosterville Gold Mine

FIGURE 1



Reserve
Mineral Resource (2.0g/t Au lower cut-off)

FOSTERVILLE GOLD MINE
RESERVE AND RESOURCES
2007

FIGURE 2

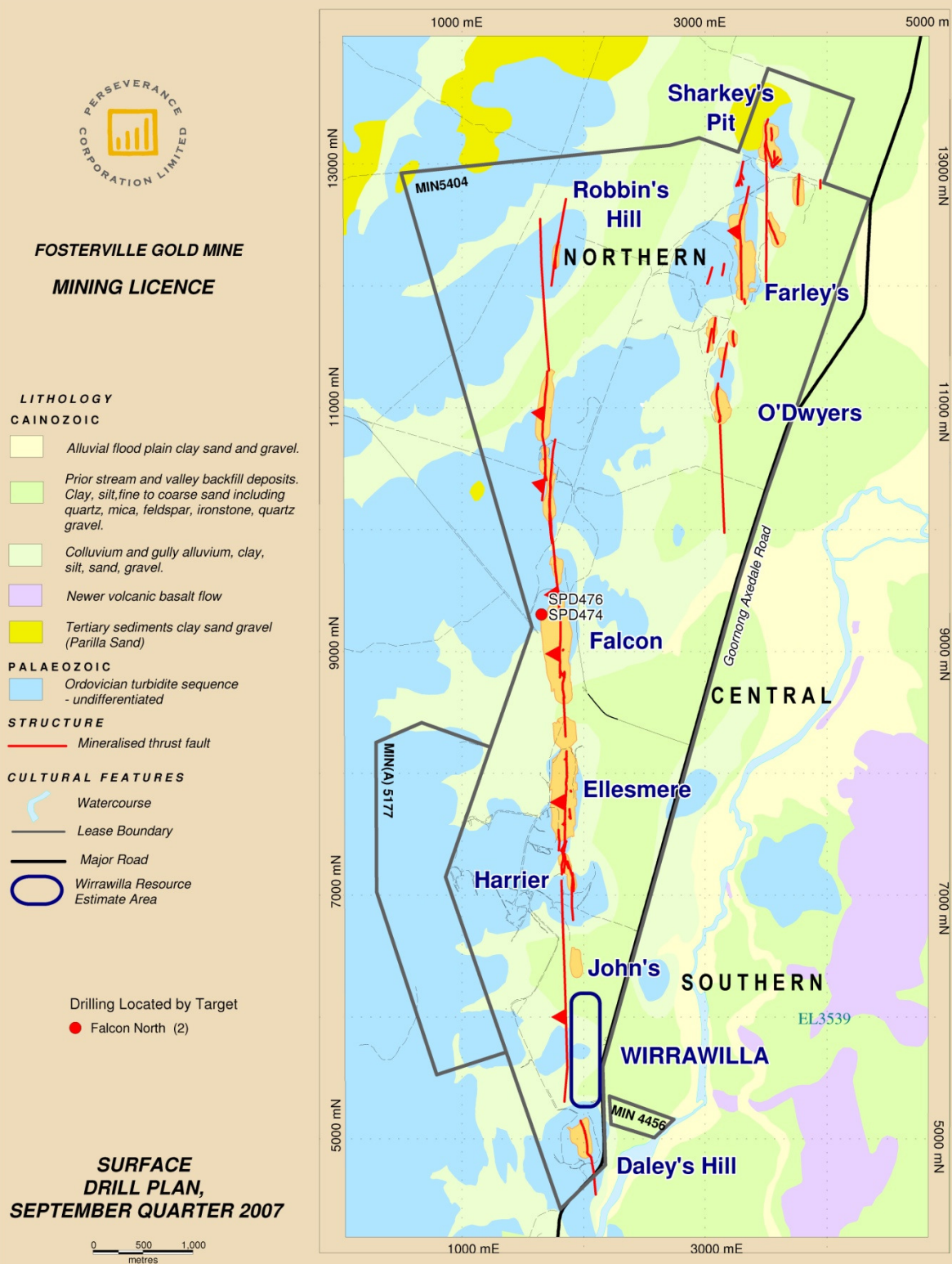


FIGURE 3

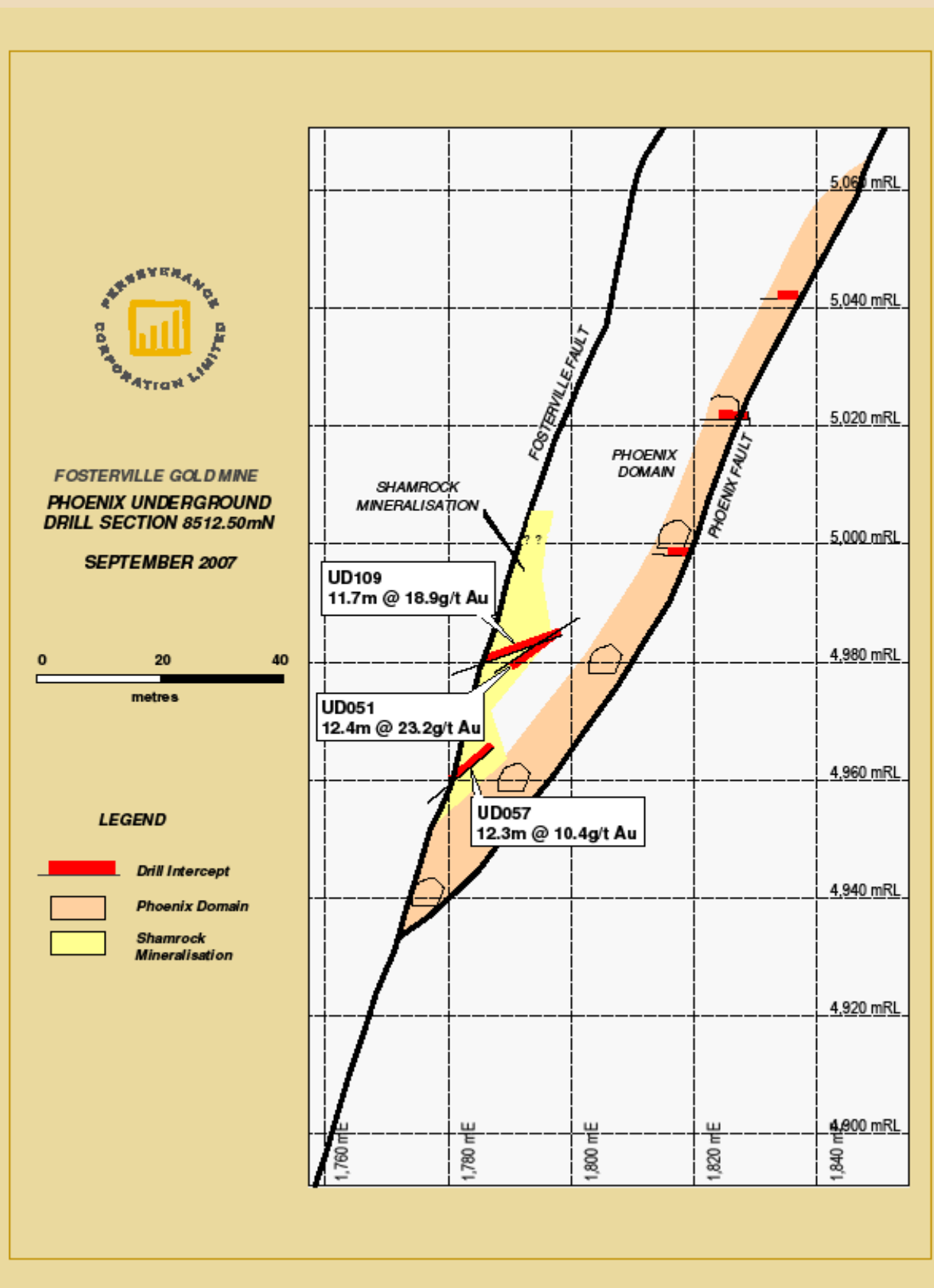


FIGURE 4

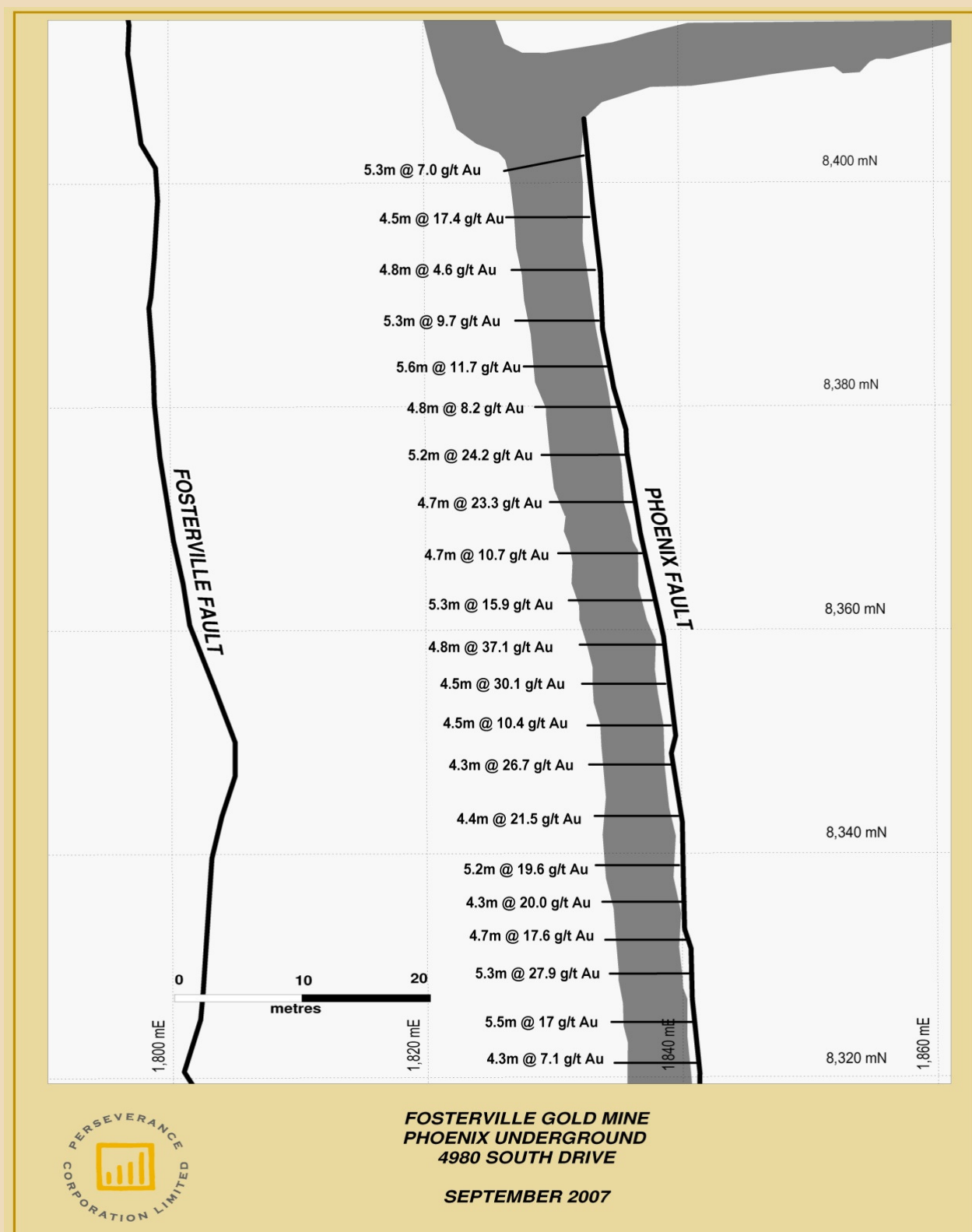
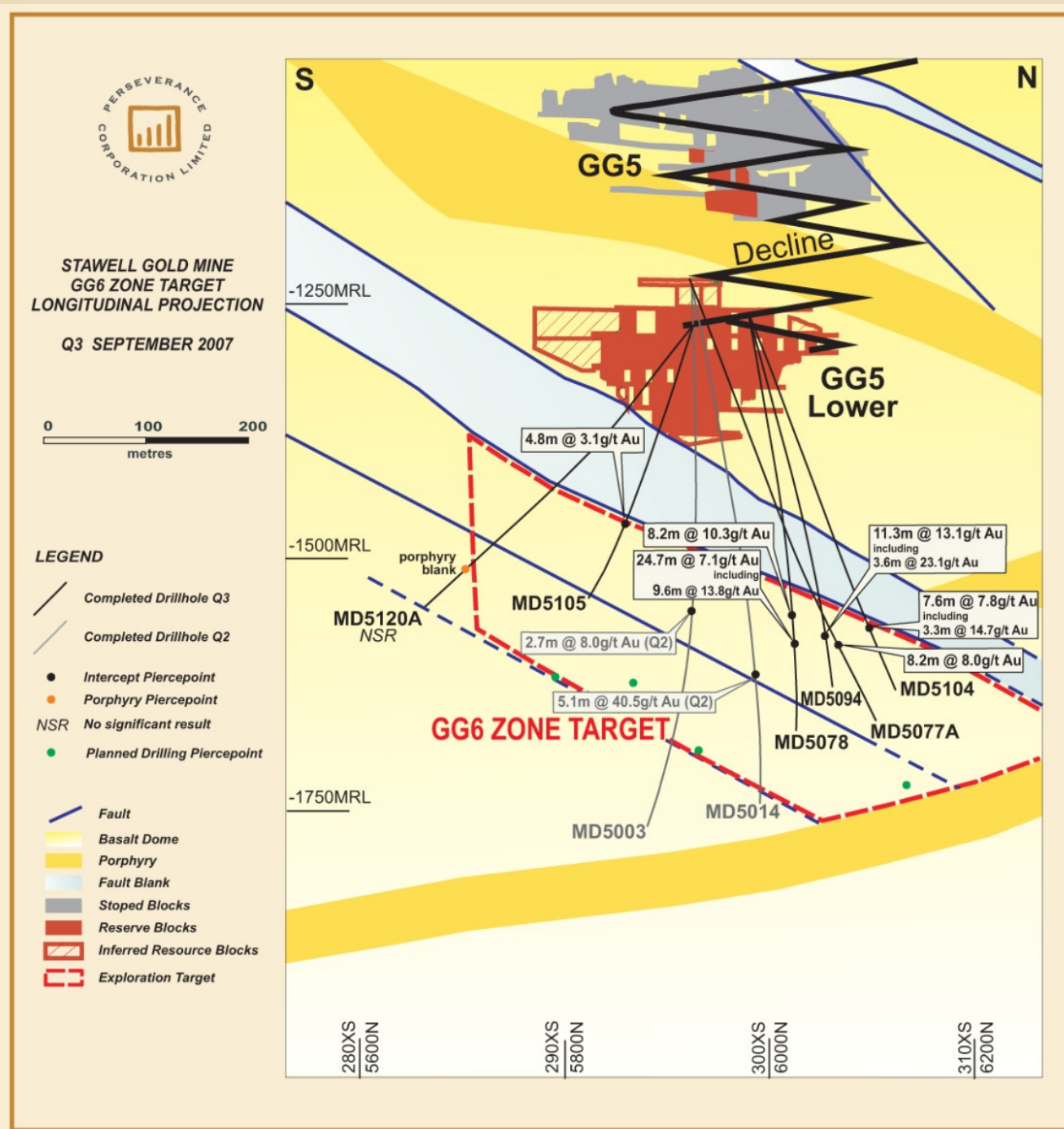


FIGURE 5



PERSEVERANCE CORPORATION LIMITED ANNOUNCES RECOMMENDED ACQUISITION BY NORTHGATE MINERALS CORPORATION

**Cash Offer Provides Premium to Share and Option Holders;
Resolves Capitalisation Issues and Provides Certainty to All Stakeholders**

MELBOURNE, October 29, 2007 – Perseverance Corporation Limited (ASX: PSV) (“Perseverance” or the “Company”) and Northgate Minerals Corporation (TSX: NGX, AMEX: NXG) (“Northgate”) are pleased to announce that they have signed a Merger Implementation Agreement (“MIA”) pursuant to which Northgate will acquire all outstanding securities and debt of Perseverance for cash consideration (the “Transaction”).

Northgate’s offer capitalises Perseverance at an Enterprise Value of approximately A\$282 million¹.

TRANSACTION HIGHLIGHTS

Northgate and Perseverance have today entered into a binding MIA that provides for the acquisition by Northgate of Perseverance. The Transaction will be implemented via schemes of arrangement between Perseverance and its shareholders and optionholders, respectively (the “Schemes”), and a resolution of holders of convertible subordinated notes to approve the early redemption of the notes. Under the Schemes, a wholly owned subsidiary of Northgate will acquire all of the outstanding fully paid ordinary shares in Perseverance and the Company’s options will be cancelled. In addition, under the resolution of holders of convertible subordinated notes, the convertible subordinated notes will be cancelled.

Under Northgate’s offer, Perseverance securityholders will receive:

- A\$0.20 cash per ordinary share;
- A\$0.08 cash for each of the Perseverance options issued as part of the recent A\$26.5 million placement; and
- A\$100,000 (face value) plus any accrued interest per convertible subordinated note.

The Northgate offer of A\$0.20 per share provides substantial value to Perseverance shareholders and represents:

- a 37.9% premium to the Perseverance closing share price on 26 October 2007 of A\$0.145;
- a 37.1% premium to the one month volume weighted average price of A\$0.146; and
- a 51.4% premium to the volume weighted average price of A\$0.132 since 12 July 2007, the day Perseverance was reinstated to official quotation on the ASX, following the completion of the A\$26.5 million placement.

Northgate has also agreed to acquire all of Perseverance’s existing bank debt (amounting to A\$33.5 million) and to provide a new bridging facility of up to A\$25.0 million. Northgate has also agreed to acquire the bank’s exposure of approximately A\$48.0 million to Perseverance’s gold hedges and subsequent to the close of the Transaction, Northgate will close out this hedge position.

¹ Based on Perseverance’s unaudited net debt as at 30 September 2007

Under the terms of the debt assumption and loan agreements, all debt held by Northgate will be in a first secured position (subject to one immaterial exception) and the interest on bridge financing will be deferred up to the date of successful conclusion of the Transaction or termination of the MIA.

The additional bridging facility eliminates any short-term requirement for Perseverance to raise further equity capital.

In the event that the Transaction does not close as a result of another person acquiring an interest in Perseverance of more than 20%, the bank debt and bridging facility will become immediately repayable in full and Perseverance will be required to immediately close out the gold hedges.

In the event that the Transaction does not close for any other reason, Perseverance is required to repay the principal amount of all bridge financing plus accrued interest and fees within three months of the relevant termination date. The remaining bank debt and the gold hedges will remain on foot and subject to their current terms (although the bank debt will be owned by Northgate, and Northgate will become the counterparty to the gold hedges).

Perseverance Directors have unanimously determined that the Transaction is in the best interests of securityholders and unanimously recommend that all Perseverance shareholders and optionholders vote in favour of the Schemes and that convertible subordinated noteholders approve the early redemption of the notes in the absence of a superior proposal.

All Perseverance Directors intend to vote all Perseverance securities held or controlled by them at the time of the Scheme meetings in favour of the Schemes, in the absence of a superior proposal.

Northgate proposes to fund this transaction from its balance sheet and the transaction is not subject to the requirement for Northgate to raise additional funds. Northgate held approximately US\$318 million in cash and had no significant indebtedness at 30 June 2007. Northgate continues to generate strong cash flows from its Canadian mining operation.

"We believe Northgate's offer takes into account the current status and value of the existing operations and exploration potential," John Quinn, Chairman of Perseverance, said.

"In addition to providing our shareholders with a significant premium, I expect that the operational expertise and financial resources of Northgate should allow the assets to prosper going forward.

Northgate has a plan to contribute the capital to fund the required development of Fosterville's underground infrastructure and to reinvigorate exploration on the Company's extensive tenements.

The Northgate management team has a proven track record as strong operators and their team will complement the abilities of Perseverance's dedicated and very professional staff," he said.

Transaction Rationale – Perseverance

Mr Quinn said that in order to extract full value from the assets and to re-structure the Company's existing financing facilities and hedge commitments, substantial additional capital would have been required by the Company.

He said that Perseverance Directors were mindful that such additional capital would, most probably, have necessitated a further large and dilutive equity raising.

"Having reviewed a comprehensive range of alternative options available to the Company, our Directors have formed the view that the Transaction is the most attractive alternative available because it provides Perseverance shareholders with certainty of return at a substantial premium to the recent trading range for its shares."

Mr Quinn said the Transaction, underwritten by the strength of Northgate's balance sheet, should allow the full realisation of the potential of the mining assets and provide stability and assuredness to employees and other stakeholders including the communities around the operations of the Company.

Transaction Rationale – Northgate

The Transaction will create a leading mid-tier gold producer with three producing gold mines in politically favourable mining jurisdictions. Northgate has the management expertise and financial capability to efficiently fund current development projects, accelerate mine improvements at Perseverance and capitalise on other growth opportunities.

- Estimated production for 2008 of approximately 434,000 ounces of gold and 71 million pounds of copper.
- 2.3 million ounces of proven and probable gold reserves, 2.0 million ounces of measured and indicated resources and 2.8 million ounces of inferred resources based on the latest publicly available figures of both Northgate and Perseverance.
- Proven and probable copper reserves of 250 million pounds.
- Average net cash cost of production of approximately US\$184 per ounce during 2008 based on a copper price of US\$2.95 per pound. Post Transaction, this would place Northgate in the lower quartile of world gold producers.
- Net cash after this Transaction of US\$105 million and continued strong cash flow of the combined entity will provide maximum financial flexibility.

"Our stated corporate development goal has been the acquisition of a 50,000 – 200,000 ounce producer in a politically stable jurisdiction with exploration potential and the opportunity for Northgate management to secure additional value through our track record as strong operators," Ken Stowe, President and CEO of Northgate, said.

"With this acquisition of Perseverance, we will add two attractive assets in Australia, which allow us to meet that goal.

"This acquisition will add over 200,000 ounces of production in 2008, in the prolific Victorian gold belt in Australia with over 7,700km² of exploration area."

Mr Stowe said the assets are both fully permitted and are currently operating with excellent infrastructure near developed towns.

"The addition of Northgate's management team to supplement the existing operating team at Perseverance's two mine sites and the support of our balance sheet will allow Perseverance to accelerate its mine development plan to increase production and reduce costs. We also intend to expand the existing exploration program to identify additional reserves and extend the life of the camp."

Implementation of the Transaction

The Transaction will be effected through separate schemes of arrangement between Perseverance and holders of shares and options respectively, and a resolution by holders of convertible subordinated notes to amend the terms and conditions of the notes to provide for early redemption.

An Explanatory Memorandum setting out the terms and rationale for the Transaction, Independent Expert's Reports, and the reasons for the Directors' recommendations is expected to be circulated to all Perseverance shareholders and optionholders in mid-December 2007.

Meetings of Perseverance shareholders and optionholders to approve the Schemes are expected to be held in mid-January 2008 with Transaction completion anticipated in early February 2008. The meeting of noteholders to consider the noteholders' resolution is expected to occur in December 2007.

The above timetable is indicative only, and Northgate and Perseverance reserve the right to vary any or all of the relevant dates.

The Transaction is subject to regulatory, Court and Perseverance securityholder approvals, together with other conditions.

The MIA between Perseverance and Northgate contains exclusivity obligations on the part of Perseverance, subject to customary provisions relating to Directors duties in the event of a competing proposal. Perseverance has agreed to pay Northgate a break fee of A\$2.5 million, if the Transaction does not proceed in certain circumstances.

Annexure A contains further details regarding the terms of the MIA.

Advisers

Northgate's financial advisor is UBS and its legal advisors are Allens Arthur Robinson in Australia and Fasken Martineau in Canada.

Perseverance's financial adviser is ANZ Mergers & Acquisitions and its legal adviser is Clayton Utz.

* * * * *

CONFERENCE CALL

You are invited to participate in the Perseverance Corporation Limited live conference call and to discuss the offer. The call will take place on 29 October 2007, at 11:00 am Melbourne time.

Teleconference:

Please call 1800 701 269 or International at +61 2 8823 6760.

Conference Code: 2249 1277

* * * * *

ABOUT NORTHGATE

Northgate Minerals Corporation is a Canadian gold and copper mining company with its principal assets being the Kemess South mine in north-central British Columbia and the Young-Davidson property in northern Ontario. Northgate is listed on the Toronto Stock Exchange under the symbol NGX and on the American Stock Exchange under the symbol NXG.

Northgate is now widely recognised as one of the finest operators in the global mining business, having transformed Kemess into one of the most efficient open pit mines in the world over the past seven years. In 2006, exceptional operating performance at Kemess, combined with a strong metal price environment, produced record earnings of US\$107 million and record cash flow of almost US\$147 million. As Northgate moves forward into 2008 and beyond, the culture of operational excellence that exists within Northgate will provide a solid foundation for growth in pursuit of the Corporation's vision of becoming a larger, multi-mine gold producer.

ABOUT PERSEVERANCE

Perseverance Corporation Limited is an Australian based gold producer and explorer. The Company owns and operates gold mines at Fosterville and Stawell in Victoria, Australia and has extensive exploration tenements covering over 7,700km² along major trends within the world-class Victorian goldfields. Gold production at the Company's two mines in the year ended June 30, 2007 aggregated 189,000 ounces.

* * * * *

Contact Details

Northgate Minerals Corporation
Ken Stowe, President & CEO
+1 416-216-2772

UBS Investment Bank
Steve Drake
+61 3 9242 6151

Cannings Corporate Communications
Peter Brookes
+61 2 8284 9966
Nigel Kassulke
+ 61 2 8284 9905

Perseverance Corporation Limited
John Quinn
+61 (0) 412 381 081
Brian Phillips
+61 (0) 402 298 022

ANZ Mergers & Acquisitions
John Snelling
+61 2 9227 1633

ANNEXURE A

Summary of Key Terms of the Merger Implementation Agreement

Northgate and Perseverance have entered into an MIA dated 28 October 2007 setting out the terms and conditions of each party's obligations in connection with the implementation of the Transaction. The parties, and their relevant subsidiaries, have also entered into related agreements with Australia and New Zealand Banking Group Limited ("ANZ") ("the Financing Agreements") in relation to the assignment to Northgate of Perseverance's debt and the provision of a further bridging facility to Perseverance.

A summary of the structure of the Transaction, and an outline of the key terms and conditions of the MIA and the Financing Agreements, are set out below. Relevant defined terms are set out at the end of the summary of the MIA.

Structure of Transaction

The Transaction will involve:

- a scheme of arrangement between Perseverance and holders of ordinary shares, under which a wholly owned subsidiary of Northgate will acquire all the ordinary shares for consideration of A\$0.20 per share ("the Share Scheme");
- a scheme of arrangement between Perseverance and holders of the 176,716,000 options, each to subscribe for one ordinary share, with an expiry date of 31 August 2009 ("the Options"), under which the Options will be cancelled for consideration of A\$0.08 per Option ("the Option Scheme");
- a resolution by holders of convertible subordinated notes ("the Notes") to amend the conditions applying to the Notes to provide for the early redemption of the Notes on the implementation date of the Share Scheme ("the Noteholders' Resolution"); and
- the assignment to Northgate of Perseverance's debt and the provision of a further bridging facility to Perseverance.

Merger Implementation Agreement

Conditions Precedent

The Share Scheme will not become effective unless each of the following conditions precedent has been satisfied or waived in accordance with the terms of the MIA.

- Regulatory Approvals: before 8.00am on the Second Court Date:
 - » (Commonwealth Treasurer) the Treasurer of the Commonwealth of Australia advises Northgate that there is no objection under the Australian Federal Government's foreign investment policy or under the Foreign Acquisition and Takeovers Act 1975 of Australia to the acquisition by Northgate of Shares and other securities of Perseverance, as contemplated by the MIA; and
 - » (other approvals) all other approvals, consents, modifications or waivers of a governmental agency which are necessary to implement the Schemes are obtained;
- Shareholder Approval: before 8.00am on the Second Court Date, the Share Scheme is approved by the requisite majorities of Shareholders;
- Restraints: no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing any aspect of the Share Scheme is in effect as at 8.00am on the Second Court Date;
- Independent Expert: before the date on which the Scheme Booklet is lodged with ASIC, the Independent Expert gives a report to Perseverance that in its opinion the Share Scheme is in the best interests of Shareholders;
- Perseverance Regulated Events: no Perseverance Regulated Event occurs between the date of this Agreement and 8.00am on the Second Court Date;

- Perseverance Material Adverse Change: no Perseverance Material Adverse Change occurs, or is discovered, announced, disclosed or otherwise becomes known to Northgate between the date of this Agreement and 8.00am on the Second Court Date;
- Perseverance Representations and Warranties: the representations and warranties of Perseverance contained in the MIA are true and correct in all material respects as at the date of the MIA and as at 8.00am on the Second Court Date;
- Northgate Representations and Warranties: the representations and warranties of Northgate contained in the MIA are true and correct in all material respects as at the date of the MIA and as at 8.00am on the Second Court Date;
- Approval of Noteholders' Resolution: before 8.00am on the Second Court Date, the Noteholders' Resolution has been approved by Noteholders and that approval has not been revoked or affected by any subsequent resolution of Noteholders; and
- Executive Option Cancellation Deeds: no later than 5:00pm on the day which is 2 Business Days before the date of the Scheme Meetings, all Perseverance executives and other persons holding options (ie rights to acquire or subscribe for Perseverance shares that do not constitute Options) have executed legally binding cancellation deeds in relation to those options.

The Option Scheme will not become effective unless each of the following conditions precedent has been satisfied or waived in accordance with the terms of the MIA.

- Optionholder Approval: before 8.00am on the Second Court Date, the Option Scheme is approved by the requisite majorities of Optionholders;
- Restraints: no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing any aspect of the Option Scheme is in effect as at 8.00am on the Second Court Date;
- Independent Expert: before the date on which the Scheme Booklet is lodged with ASIC, the Independent Expert gives a report to Perseverance that in its opinion the Option Scheme is in the best interests of Optionholders; and
- Satisfaction of Share Scheme Conditions Precedent: before 8.00am on the Second Court Date, each of the conditions precedent to the Share Scheme has been satisfied.

The Noteholders' Resolution will not become effective unless:

- Noteholder Approval: it is approved by the requisite majorities of Noteholders; and
- Share Scheme is effective: the Share Scheme becomes effective.

Each party must use their best endeavours to satisfy the conditions precedent.

Termination

Either party may terminate at any time prior to the commencement of the Court hearing on the Second Court Date for any one of the following reasons:

- the other party is in material breach of any clause of the MIA, taken in the context of the Transaction as a whole, the non-defaulting party has given notice to the other party and the material breach has continued to exist for five business days (or any shorter period ending immediately prior to the commencement of the court hearing on the Second Court Date) from the time such notice is given;
- any Perseverance Director makes a public statement changing or withdrawing their recommendation of the Schemes or Noteholders' Resolution;
- the Independent Expert, having given a report to Perseverance that in its opinion the Share Scheme is in the best interests of Shareholders, changes that opinion for any reason;

- if the Court refuses to make any order convening the Share Scheme meeting and a party obtains an opinion from Queen's Counsel or Senior Counsel that an appeal against that decision would have no reasonable prospect of success;
- if a court or other governmental agency has issued a final and non appealable order, decree or ruling or taken other action which permanently restrains or prohibits any Scheme or the Noteholders' Resolution;
- if the conditions precedent are not met; or
- if the Schemes have not become effective on or before the End Date.

In addition, the MIA will terminate automatically, without the action of any party, in the event that:

- the Share Scheme is not approved by the requisite majorities of Shareholders; or
- the Noteholders' Resolution is not approved by the requisite majorities of Noteholders, and Northgate has not waived the condition precedent requiring approval of the Noteholders' Resolution within five Business Days.

Exclusivity

The MIA contains the following no-shop, no-talk and no due diligence restrictions.

Under the no-shop restrictions in the MIA, during the Exclusivity Period, Perseverance must ensure that neither it, nor any of its related bodies corporate or its representatives, directly or indirectly solicits, invites, facilitates or encourages, or communicates any intention to do any of these things, with a view to obtaining any offer or proposal from any person in relation to a Competing Proposal.

Under the no-talk restrictions in the MIA, during the Exclusivity Period, Perseverance must ensure that neither it, nor any of its related bodies corporate or its representatives, negotiates or enters into, continues or participates in negotiations or discussions with any other person regarding a Competing Proposal, even if:

- that person's Competing Proposal was not directly or indirectly solicited, initiated, facilitated or encouraged by Perseverance or any of its representatives; or
- that person has publicly announced their Competing Proposal.

The parties have also agreed to a no due diligence restriction, whereby during the Exclusivity Period, Perseverance must not, without Northgate's prior written consent:

- solicit, invite, facilitate or encourage any party to undertake due diligence investigations on it or any of its related bodies corporate; or
- make available to any person or permit any such person to receive any non-public information relating to it or any of its related board corporate in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

In addition, during the Exclusivity Period, Perseverance must immediately notify Northgate if it is approached by any person to engage in activity that would breach the no-talk or no due diligence restrictions. Under the MIA, Northgate has a period of five Business Days in which to amend the Transaction to match or better any Superior Proposal received by Perseverance.

The no-talk, no due diligence restrictions and the requirement to notify Northgate above do not apply to the extent that they restrict Perseverance or its Board from taking any action in respect of a bona fide Competing Proposal which was not encouraged, solicited or initiated by Perseverance, or to the extent that they require Perseverance to provide notification to Northgate, provided that Perseverance's Board has determined, in good faith and acting reasonably, that:

- the Competing Proposal is a Superior Proposal; or

- failing to respond in the manner contemplated to that Competing Proposal or providing notification to Northgate would likely cause Perseverance's directors to breach their fiduciary duty or other legal duties, after receiving written advice to that effect from their external lawyers.

Perseverance must immediately notify Northgate if it relies on this exception.

Break Fees

Perseverance has agreed to pay Northgate A\$2.5 million (exclusive of GST) in any of the following circumstances:

- there is a material breach by Perseverance of its obligations under the MIA;
- a Perseverance Regulated Event occurs between the date of the MIA and 8.00am on the Second Court Date;
- a Perseverance Material Adverse Change occurs or otherwise becomes known to Northgate between the date of the MIA and 8.00am on the Second Court Date);
- the Independent Expert:
 - » gives a report to Perseverance that in its opinion the Shares Scheme is not in the best interests of Shareholders; or
 - » having given a report to Perseverance that in its opinion the Share Scheme is in the best interests of Shareholders, changes that opinion for any reason; or
- at any time before the end of the Scheme Meeting, the Perseverance Board makes a public statement changing or withdrawing their support or recommendation of the Schemes or the Noteholders' Resolution or recommends a Competing Proposal.

In addition, no amount is payable by Perseverance to Northgate if Shareholders fail to pass, by the requisite majorities, the resolution to approve the Share Scheme, or the condition precedent relating to approval of the Noteholders' Resolution is not satisfied, in circumstances where the Perseverance Board has not made a public statement changing or withdrawing their support or recommendation of the Schemes and Noteholders' Resolution, and has not recommended a Competing Proposal.

Key Definitions

Competing Proposal means any proposed or possible transaction or arrangement pursuant to which, if ultimately completed, a person (other than Northgate or a related body corporate of Northgate) would:

- (a) directly or indirectly, acquire an interest, a relevant interest in or become the holder of:
 - (i) more than 50% of the Shares; or
 - (ii) the whole or a substantial part or a material part of the business or property of Perseverance or the Perseverance Group;
- (b) acquire control of Perseverance, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise acquire or merge with Perseverance (including by a reverse takeover bid, reverse scheme of arrangement or dual listed companies structure).

End Date means 31 March 2008, or such later date as Northgate and Perseverance may agree in writing.

Exclusivity Period means the period commencing on the date of this Agreement and ending on the earlier of:

- (a) the termination of the MIA in accordance with its terms;
- (b) the Implementation Date; and
- (c) the End Date.

Perseverance Material Adverse Change means an event, occurrence or matter other than:

- (a) that required to be done or procured by Perseverance pursuant to the MIA, the Schemes or an executive option cancellation deed;
- (b) as fairly disclosed in an announcement to the ASX prior to the date of the MIA or as fairly disclosed by Perseverance to Northgate in writing prior to the date of the MIA (provided that disclosure of the risk or possibility of an event, occurrence or matter happening shall not be a disclosure of an actual event, occurrence or matter happening);
- (c) an actual event, occurrence or matter which is known to Northgate prior to the date of the Agreement (which does not include knowledge of the risk or possibility of an event, occurrence or matter happening);
- (d) those arising from changes in general economic or business conditions in Australia including changes in rates of corporate taxation and interest rates; or
- (e) any other event, occurrence or matter which the parties agree in writing shall be excluded from this definition,

which individually will, or is reasonably likely to, or when aggregated with all such events, occurrences or matters will, or is reasonably likely to:

- (f) diminish the value of the consolidated net assets of the Perseverance Group by A\$5 million or more;
- (g) diminish the consolidated net profit after tax of the Perseverance Group in any financial year by A\$2 million or more, excluding any costs and expenses incurred in connection with the Schemes; or
- (h) have a material adverse effect on the ability of Perseverance to perform its obligations under the MIA.

Perseverance Regulated Event means the occurrence of any of the following:

- (a) Perseverance converts all or any of its shares into a larger or smaller number of shares;
- (b) Perseverance resolves to reduce its share capital in any way or reclassifies, redeems or repurchases directly or indirectly any of its shares;
- (c) Perseverance or any related body corporate of Perseverance:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) Perseverance or any related body corporate of Perseverance pays any amount to an employee or officer of the Perseverance Group in connection with the termination of their employment, or their ceasing to act as an officer of Perseverance or a related body corporate, other than pursuant to an agreement in force prior to 5 October 2007;
- (e) Perseverance declares, pays or distributes any dividend, bonus or other share of its profits or assets, or returns or announces an intention to return or agree to return any capital to its members;
- (f) Perseverance or any related body corporate of Perseverance:
 - (i) issues or agrees to issue shares or instruments convertible into shares (each a Perseverance Security) to a person outside of the Perseverance Group; or
 - (ii) grants or agrees to grant an option (including any performance right or right to have shares transferred) over or in respect of Perseverance Securities to a person outside of the Perseverance Group,

other than an issue of Shares pursuant to the exercise of an Option or an executive option or the conversion of a Note.

- (g) Perseverance makes a material change or amendment to its constitution;
 - (h) Perseverance or any related body corporate of Perseverance creates, or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property;
 - (i) Perseverance resolves that it be wound up;
 - (j) a court makes an order for the winding up of Perseverance or of any related body corporate of Perseverance;
 - (k) a liquidator, provisional liquidator or administrator of Perseverance or of any related body corporate of Perseverance is appointed;
 - (l) a receiver or a receiver and manager is appointed in relation to the whole, or a substantial part, of the property of Perseverance or of any related body corporate of Perseverance;
 - (m) after the date of announcement of the MIA:
 - (i) Perseverance or any related body corporate of Perseverance acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than A\$500,000, or makes an announcement in relation to such an acquisition, offer or agreement;
 - (ii) Perseverance or any related body corporate of Perseverance leases or disposes of, offers to lease or dispose of or agrees to lease or dispose of one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount, or in respect of which the book value (as recorded in Perseverance's statement of financial position as at 30 June 2007) is, in aggregate greater than A\$500,000, or making an announcement in relation to such a lease, disposition, offer or agreement;
 - (iii) Perseverance or any related body corporate of Perseverance enters into, or offers to enter into or agrees to enter into, any agreement, joint venture or partnership involving a commitment of greater than 12 months other than in the ordinary course of business or which would require expenditure, or the foregoing of revenue, by the Perseverance Group of an amount which is, in aggregate, more than A\$500,000 or which would bring the aggregate new capital expenditure commitments of the Perseverance Group since the announcement date to more than A\$500,000, or makes an announcement in relation to such an entry, offer or agreement;
 - (iv) Perseverance or any related body corporate of Perseverance makes any loans, advances or capital contributions to, or investments in, any other person, other than to or in Perseverance or any wholly owned related body corporate of Perseverance, or in the ordinary course of business; or
 - (v) Perseverance or any related body corporate of Perseverance incurs any indebtedness (other than under the Financing Agreements) or issuing any indebtedness or debt securities other than in the ordinary course of business,
 - or the business of the Perseverance Group not otherwise being carried on in the ordinary course;
 - (n) Perseverance or any related body corporate of Perseverance executes a deed of company arrangement;
 - (o) Perseverance or any related body corporate of Perseverance (as applicable) authorises, commits or agrees to take any of the actions referred to in any of the foregoing paragraphs,
- provided that a Perseverance Regulated Event will not include a matter:
- (p) required to be done or procured by Perseverance pursuant to the MIA, the Schemes or an option cancellation deed;

- (q) which Perseverance is permitted to do, or not to do, under the carve-out to its exclusivity obligations or which Perseverance is permitted to do, or not to do, in connection with any competing Proposal once the exclusivity period ends;
- (r) in relation to which Northgate has expressly consented in writing; or
- (s) previously announced to ASX or fairly disclosed by Perseverance to Northgate in writing prior to the date of the MIA.

Scheme Booklet means the explanatory memorandum prepared, or to be prepared, by Perseverance in respect of the Schemes and despatched to Shareholders and Optionholders.

Second Court Date means the first day on which the application made to the Court for orders pursuant to section 411(4)(b) of the Corporations Act approving the Schemes is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.

Superior Proposal means a bona fide Competing Proposal which the Perseverance Board reasonably believes, acting in good faith, and after having taken advice from its financial and legal advisers:

- (a) is capable of being valued and completed, taking into account all aspects of the Competing Proposal; and
- (b) would, if consummated in accordance with its terms and taking into account, among other things, all legal, financial, regulatory, timing and other aspects of such proposal and the person making such proposal, result in a transaction more favourable to the Shareholders from a financial point of view than the terms of the Share Scheme.

Financing Agreements

Under the Financing Agreements:

- Northgate will acquire all of Perseverance's existing bank debt from ANZ (amounting to US\$30.6 million (A\$33.5 million));
- Northgate will extend an additional bridging facility to Perseverance of up to US\$22.8 million (A\$25.0 million);
- Northgate and ANZ have entered into a put and call arrangement pursuant to which Northgate expects to acquire ANZ's exposure of approximately US\$43.8million (A\$48.0 million) to Perseverance's gold hedges following completion of the Schemes;
- Northgate will obtain a first ranking security (subject to one immaterial exception) over all the assets and undertakings of Perseverance and certain of its subsidiaries, by way of the assignment of existing securities held by ANZ and the granting of new securities by Perseverance and certain of its subsidiaries over certain of their assets and undertakings;

The bridging financing will attract interest at a rate of BBSY + 4.5% on drawn amounts, and a commitment fee of 4.5% on the facility amount. These amounts will only be payable following the successful completion of the Transaction or termination of the MIA.

In the event that the Transaction does not close as a result of another person acquiring an interest in Perseverance of more than 20%, the bank debt and bridging facility will become immediately repayable in full, and Perseverance will be required to immediately close out the gold hedges.

In the event that the Transaction does not close for any other reason, Perseverance is required to repay the principal amount of all bridge financing plus accrued interest and fees within three months of the relevant termination date. The remaining bank debt and the gold hedges will remain on foot and subject to their current terms (although the bank debt will be owned by Northgate, and Northgate or its nominee will become the counterparty to the gold hedges).