



# NOBLE MINERAL EXPLORATION INC.

TSX.V: NOB

FWB: NB7

OTC.PK: NLPXF

## Noble Provides Project 81 Carbon Sequestration Update

Toronto, Ontario – November 20, 2012, Noble Mineral Exploration Inc. (the "Company" or "Noble") (TSX-V:NOB, FRANKFURT:NB7, OTC.PK:NLPXF) is pleased to provide an update, further to its press releases of August 22, 2012 and September 10, 2012, on the carbon sequestration modelling undertaken on Project 81 (the "Property"). Subject to the assumptions discussed below, Mikro-Tek Inc. ("Mikro-Tek"), the consultant engaged by Noble to prepare carbon sequestration modelling, has estimated the amount of carbon credits that may be generated from the Property. Using a carbon price of \$15 /tCO<sub>2</sub> and Mikro-Tek's estimated carbon sequestration figures, IBK Capital Corp. ("IBK"), which is advising Noble on this and other aspects relating to the Property, calculates the net present value of the credits to be in the order of \$100 million.

The regulatory filings made with respect to Project 81 have classified the Property as hosting a "Degraded Forest" with poor age class distribution of timber resources.

Current Forest Inventory Estimate of Harvestable Volume (m<sup>3</sup>) of Project 81:

Working Group	Ha. per species	Harvestable m <sup>3</sup>	Total m <sup>3</sup>	Estimated tCO <sub>2</sub>
Spruce	36,454	54	1,968,516	2,637,811
Balsam	5,911	54	319,194	427,719
Poplar	4,926	9	44,334	59,407
Total:	47,291			3,124,937

Source: Forest Management Plan prepared and filed for the Property in 2002.

This classification is largely due to the unsustainable forest management techniques applied on the Property in the 1960s and 1970s. The degraded nature of the forest, however, places it in a good position to increase its carbon sequestration potential due to the natural re-growth and reduced harvesting that has taken place over the last ten years. These improved forestry practices can be used to capitalize on the carbon offset requirements of major industrial projects being developed in the near to medium term across Canada and, potentially, other jurisdictions in North America.

Provided that the boreal forest owned by Noble progresses from a "poor age class distribution" into a "good age class distribution" over a 20-year period, the tree growth on the property will capture and store millions of tonnes of carbon dioxide from the atmosphere. This process would allow the Company to register and sell carbon credits (with each credit representing one tonne of carbon dioxide, or CO<sub>2</sub>) into emissions trading markets. Such carbon sequestration could potentially provide the carbon offset credits required or sought for large-scale industrial development projects throughout North America or to otherwise offset carbon emissions produced by heavy emitters who exceed their emission allotments, assuming those allotments are mandatory in the jurisdictions in which they operate.

The physical footprints of these types of industrial projects vary from 500 to 2,000 hectares (ha) for a typical mine site, 2,000 to 5,000 ha for an oil sands project, and 10 ha per kilometer of corridor (assuming a width of 100 meters) for transportation or transmission projects. For example a road corridor for development of Ontario's Ring of Fire mine sites would be approximately 300 km in length (requiring 3,000 ha of offsetting property) and for an oil transmission corridor across Ontario, would be in excess of 1,500 km (requiring an offset of approximately 15,000 ha).

### The Company's Carbon Sequestration Strategy

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The previous owner of the Property developed a Forestry Management Plan (the “FMP” or the “Plan”) for the Property in 2002. The Company has adopted this Plan and had the Plan updated by **Merin Forest Management** of North Bay, Ontario, which shows that the Property's forest could support an annual sustainable harvest that could yield 54 m<sup>3</sup>/ha of conifer and 9 m<sup>3</sup>/ha of hardwood. These forest production rates are significantly lower than provincial averages, which are 146 m<sup>3</sup>/ha for conifer and 277 m<sup>3</sup>/ha for hardwoods within a medium site class and 238 m<sup>3</sup>/ha for conifer and 328 m<sup>3</sup>/ha for hardwoods within a good site class (Source: *Planting Trees for Carbon Credits*, prepared for the Tree Canada Foundation, 1995) The difference in the projected yield rates compared to the provincial average is due to the degraded nature of the Property's forest.

To improve the state of the Property's forest, the Company is proposing to initiate a carbon sequestration project that would return the forest to its full production potential. Under the proposal, the Company would restrict harvesting on the property to allow the forest to regenerate from its current degraded state to a productive state with a fully balanced age class with yields that would fall within the ranges of the current provincial averages. As the harvested sections of the forest are currently regenerating with acceptable stocking levels, the recovery of the uneven age classes within the forest will take place over time with minimal forest management expenses. During this period, Noble would seek to capture the value of this carbon sequestration for investors by marketing the Property as a source of carbon credits. If successful, Noble could realize on this value in the near to medium term.

The number of carbon credits available would be based on the difference between the amount of carbon dioxide currently sequestered on the Property and the amount of carbon dioxide that would be sequestered on the Property in 20 years. Mikro-Tek has used the FMP and other recent timber inventory data on the Property to project an estimate of the carbon sequestration potential of the Property.

Harvestable Volume for a good site class (achieved by twenty years' growth):

Working Group	Ha. per species	Harvestable m <sup>3</sup>	Total m <sup>3</sup>	Estimated tCO <sub>2</sub>
Spruce	36,454	238	8,676,052	11,625,909
Balsam	5,911	238	1,406,818	1,885,136
Poplar	4,926	328	1,615,728	2,165,075
Total:	47,291			15,676,120

A copy of Mikro-Tek's report to Noble is available on the Company's website.

### Carbon Credit Pricing

The global market-wide average price in 2011 for forestry projects, for both the compliance and voluntary markets, was \$9.20/tCO<sub>2</sub>, being double the 2010 price (Source: Molly Peters-Stanley et al., *Leveraging the Landscape State of the Forest Carbon Markets 2012*, for Ecosystem Marketplace, November 2012, Executive Summary).

Yesterday, preliminary results of California's emissions trading program were announced. The first auction of 2013 carbon allowances resulted in 23,126,110 tonnes of CO<sub>2</sub> sold at a weighted average settlement price of \$10.09/tCO<sub>2</sub>. Bloomberg New Energy Finance in its website report of November 6, 2012 (Available at <http://www.bloomberg.com/news/2012-11-06/california-carbon-forecast-cut-before-auction-bnef-says.html>) estimates that the price of carbon allowances will average \$29 per tonne from 2013 to 2020. The Company believes the results of the California auction are relevant because Ontario and California are both members (along with British Columbia, Manitoba and Quebec) of the Western Climate Initiative, even if the Government of Ontario has not provided an estimate as to when it will implement the Western Climate Initiative emissions trading scheme.

In its report to Noble, Mikro-Tek projected that if the boreal forest on the Property was allowed to recover from its current degraded site class to a good site class, 12.5 million tCO<sub>2</sub> could be sequestered on the Property. The costs associated with the forest management and the verification and registration of the carbon credits have been estimated to average \$75,000 per year over the life of the project. These costs

have been estimated based on quotes provided by multiple third-party forest carbon experts. If Ontario were assumed to adopt a similar set of regulations as Alberta, where carbon is taxed at a rate of \$15/tCO<sub>2</sub>, and after applying an annual discount rate of 6% the net present value (“NPV”) of the Project's carbon credits would be in excess of \$100 million. This scenario does not take into account any escalation in cost or any increase in carbon credit prices during the 20 year time frame modelled. The following table demonstrates estimated project NPV outputs for various long-term carbon credit pricing scenarios.

Net Present Value Sensitivity - Carbon Credit Pricing Scenarios:

\$10/ tCO <sub>2</sub>	\$15/ tCO <sub>2</sub>	\$20/ tCO <sub>2</sub>	\$25/ tCO <sub>2</sub>	\$30/ tCO <sub>2</sub>
\$66,911,961	\$100,933,832	\$134,955,704	\$168,977,576	\$202,999,447

### The Carbon Market:

Recent articles in the national media highlight the Shell, Marathon Oil and Chevron \$1.35billion Quest Capture and Storage Project to capture one million tCO<sub>2</sub> per year from the Scotford Upgrader (Alberta) and store it 2 km underground, helping to reduce the carbon footprint of their Athabasca Oil Sands project in Alberta. This project puts into focus the cost and importance of carbon dioxide capture and storage requirements in Canada, as we all work toward a lower carbon future. As a means of raising funds for mineral resource exploration at Project 81 and at other Noble projects, the Company proposes to realize on the value of Project 81 as a cost-effective source of carbon sequestration, in particular considering that the cost of carbon sequestration using forestry properties is dramatically lower than the costs of carbon capture and storage projects such as the Quest Capture and Storage Project.

According to Ecosystem Marketplace, the global market for forest carbon sequestration credits in 2010 was over 26 million tCO<sub>2</sub> representing a value of over US\$ 237 million. Since governments across the world are moving toward increasingly regulated carbon credit markets, both the price and volume of credits transacted will likely increase over the next several years. Ontario emitted approximately 171.3 million tCO<sub>2</sub> in 2010, with the transportation sector accounting for approximately 59.8 million tonnes CO<sub>2</sub> equivalent. These numbers are expected to increase substantially with the expansion and development of the Golden Horseshoe Area in Southern Ontario and the mining and smelting sectors in Northern Ontario.

When Canada signed the Copenhagen Accord in December 2009, it committed to reduce its greenhouse gas (GHG) emissions to 17% below 2005 levels by 2020, establishing an annual reduction target of 607 Megatonnes (Mt), mirroring the reduction targets set by the United States. To meet these targets, Canada is generally seen to be moving toward regulating GHGs on a sector-by-sector basis, aligning with the U.S where appropriate, starting with the transportation and electricity sectors. Plans are now in place to move forward with regulating large final emitters (entities emitting more than 25,000 tCO<sub>2</sub> annually) in other sectors such as oil and gas, mining and mineral refining.

### About Project 81

Project 81 is Noble's 100% privately owned 60,701 hectares (149,000 acres) forested land package. This land package is one of the largest freehold land packages in the province, if not the country, and Noble has retained all mineral rights.

Project 81 is located within the Northern Ontario boreal biome. Globally, the boreal biome is the world's largest and most important forest carbon storehouse holding almost twice as much carbon per unit area as tropical rain forests. Canada's boreal forest stores about 71.4 billion tonnes of carbon in its forest ecosystems and 136.7 billion tonnes in its peatland ecosystems (*Boreal Carbon the World Forgot – Canadian Boreal Initiative* <http://www.borealbirds.org/resources/carbon/report-pressrelease-nov12.doc>)

Project 81 is the Company's flagship project of patented and staked land packages and is divided into two blocks. The patented properties include surface, mineral and timber rights, and host a significant timber resource plus a number of zones that have hosted historical exploration identifying nickel and gold mineralization (these sample results are historical and non 43-101 compliant) from work carried out in the

1960s and 1970s. These results have been confirmed by recent assay results from the current, ongoing drill program.

#### **ABOUT NOBLE MINERAL EXPLORATION INC.:**

Noble Mineral Exploration Inc. is a Canadian based junior exploration company holding in excess of 72,000 hectares of property in the Timmins, Iroquois Falls and Smooth Rock Falls areas of Northern Ontario. The Company also holds a portfolio of diversified exploration projects at various stages of exploration and drilling for, Gold in the Wawa area of Northern Ontario, and Uranium in Northern Saskatchewan.

Randy Singh P. Geo (ON), P. Eng (ON) VP- Exploration & Project Development a "qualified person" as such term defined by National Instrument 43-101 has verified the data disclosed in this news release, and has otherwise reviewed and approved the technical information in this news release on behalf of the Company.

More detailed information is available on the website at [www.noblemineralexploration.com](http://www.noblemineralexploration.com)

#### **CAUTIONARY STATEMENT:**

**Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.** No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

The foregoing information may contain forward-looking statements relating to the future performance of Noble Mineral Exploration Inc. Forward-looking statements, specifically those concerning future performance, are subject to certain risks and uncertainties, and actual results may differ materially from the Company's plans and expectations. These plans, expectations, risks and uncertainties are detailed herein and from time to time in the filings made by the Company with the TSX Venture Exchange and securities regulators. Noble Mineral Exploration Inc. does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

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