



# NORTON ANNOUNCES SIGNIFICANT MINERAL RESOURCES INCREASE FOR ITS BLACK FLAG PROJECT

27 February 2013

## About Norton

Norton Gold Fields Limited (ASX:NGF) is an established mid-tier unhedged gold producer.

In FY2012, Norton produced approximately 151,000 ounces of gold from its open cut and underground operations at Paddington, near Kalgoorlie in Western Australia.

The Company holds extensive granted mining and exploration leases in the pre-eminent Kalgoorlie goldfields, with a land package of 678km<sup>2</sup>. The Paddington Operations have a current Mineral Resource of 6.2Moz, of which some 1.1Moz is classified as Reserves, for a mine life in excess of ten years.

Norton's growth will come from optimising existing operations and acquiring and developing resources.

For more information, please visit our website.

[www.nortongoldfields.com.au](http://www.nortongoldfields.com.au)

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**Norton Gold Fields Limited (ASX: NGF) ("Norton" or the "Company") is pleased to announce a 42% increase to its Indicated and Inferred Mineral Resources estimate for the Black Flag West Vein at the Homestead Deposit.**

	Tonnes	g/t Au	Oz Au
Dec 2012	80,000t	22.4g/t	58,000oz
<b>Feb 2013</b>	<b>107,000t</b>	<b>23.9g/t</b>	<b>82,000oz</b>

Norton Managing Director and Chief Executive Officer, Dr Dianmin Chen stated that "The resource upgrade to the Black Flag West Vein, along with the previously announced Paddington Resource & Reserve update on 31 January 2013, builds on Norton's strategy of increasing gold production to drive costs down".

"Today's announcement further underpins Norton's Vision to be a leading gold producer, setting the industry benchmark in innovation, operational efficiency and cost control."

## Black Flag West Resource Update – February 2013

### Key Points

- ✓ An updated Measured, Indicated and Inferred Mineral Resource estimate has been defined for the Black Flag West Vein at the Homestead Deposit comprising:  
107,000t @ 23.9g/t Au containing 82,000oz
- ✓ The updated result represents a significant increase (plus 42%) in contained gold in comparison to the previously reported Indicated and Inferred Mineral Resource estimate of 58,000oz as at December 2012.
- ✓ Measured and Indicated component of the resource estimate is 47,000t @ 29.2g/t Au (44,000oz), and resource to reserve conversion studies of this higher confidence mineralisation component are underway.
- ✓ Underground strike development on several levels (1162 – 1207 levels) continues to add confidence to the Black Flag West Vein, confirming consistent vein widths averaging approximately 1m in true thickness, but up to a maximum of 3m. Stoping of ore has recently commenced on the 1177-1162 level.

- ✓ The vein juxtaposes massive to weakly foliated basalt on both the immediate hanging wall and footwall contacts – a geotechnically stable combination favourable to effective stoping recovery.
- ✓ Recent extensional diamond drilling has return excellent high grade results (down-hole intercepts) including :
  - 2.6m @ 106g/t Au from 90.65m
  - 1.6m @ 68.7g/t Au from 106.9m
  - 3.65m @ 30.3g/t Au from 94.15m
  - 2.35m @ 36.9g/t Au from 122m
  - 3.9m @ 25.1g/t Au from 136.8m
  - 13.7m @ 13.3g/t Au from 100.2m
- ✓ The vein remains open in a number of directions and further drilling is planned to evaluate mineralisation extensions.

### **Black Flag West, Homestead Underground Deposit**

Underground mining at Homestead is active in two main north trending, shear hosted mineralised veins labelled VN01 and VN03, and within the recently delineated east-west trending Black Flag West Vein. Mining method comprises conventional longhole stoping with continuous backfilling within the main ore zones, and airleg stoping of the narrower high grade veins.

The Black Flag West Vein has been the focus of recent underground diamond drilling activity with a long list of spectacular high grade results recorded in the December 2012 Quarterly Exploration Report, as well as the current report.

Underground diamond drilling programs have continued to target mineralised extensions of the vein along strike to the southwest, down-dip and up-dip, in addition to local infill. The vein remains open in a number of directions.

Recent drill results (down-hole intercepts) include :

HUD833 ..... 0.85m @ 26.9g/t Au from 80.25m  
 HUD834 ..... 13.7m @ 13.3g/t Au from 100.2m  
 ..... 2.0m @ 8.9g/t Au from 87.15m  
 HUD837 ..... 1m @ 18.4g/t Au from 38m  
 ..... 3.4m @ 6.0g/t Au from 72.5m  
 HUD838 ..... 2.6m @ 106g/t Au from 90.65m  
 HUD839 ..... 1.6m @ 68.7g/t Au from 106.9m  
 HUD840 ..... 2.35m @ 36.9g/t Au from 122m  
 HUD841 ..... 4.3m @ 16.6g/t Au from 100m  
 HUD843 ..... 1.65m @ 13.0g/t Au from 114.35m  
 HUD858A..... 3.95m @ 5.6g/t Au from 104.6m  
 HUD860 ..... 3.65m @ 30.3g/t Au from 94.15m

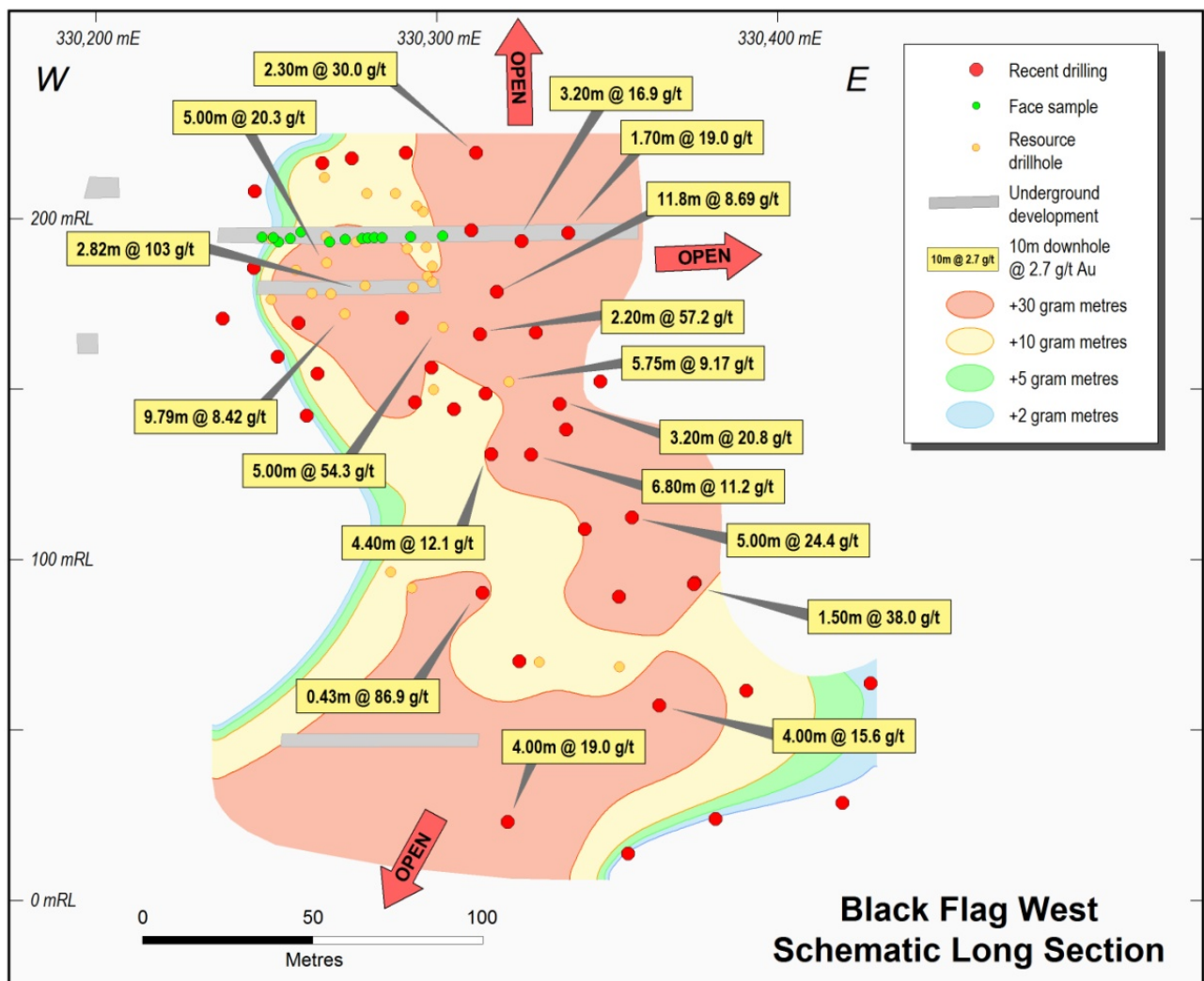
All significant results to date are listed in Table 1.

Mineralisation at Black Flag West is hosted by a massive to laminated high grade vein with well-developed sericite-ankerite-pyrite alteration selvages carrying lower grades. Associated sulphides within the vein include pyrite-galena-sphalerite. The mineralised vein is oriented with a strike of between 110 and 140 degrees, and with a moderate north-easterly dip. True width of the vein measures approximately one metre, but locally records up to three metres in maximum width.

Mining development has intersected mineralisation on four levels over a vertical interval of 45m – these being the 1207, 1192, 1174 and 1162 levels. Stoping has commenced on the 1177 - 1162 level. Previous development has intersected mineralisation in an associated vein on the 1045 level. A schematic long section of the vein is illustrated in Figure 1 below.

Further drilling of strike and dip extensions is planned.

*Figure 1: Black Flag West – schematic long section*





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### Resource Modelling Update

An updated Measured, Indicated and Inferred Mineral Resource estimate has been defined for the Black Flag West Vein comprising **107,000t @ 23.9g/t Au (82,000oz)**.

The resource update incorporates new development and drilling data. The vein intervals have been interpreted into a 3D wireframe envelope, and the resource block model has been interpolated using an Inverse Distance weighted algorithm. The Black Flag West vein has current dimensions of up to 200m in strike extent and 200m in dip extent. Results are reported in Table 2 below at a 3.5g/t Au cut-off grade.

Mineralisation at Black Flag West remains open on dip and south-easterly strike extensions, and drilling continues to extend mineralisation.

The previously reported Indicated and Inferred Mineral Resource estimate for the Black Flag West Vein was 80,000t @ 22.4g/t Au (58,000oz).

The update represents a 42% increase in contained ounces in comparison to the previously reported Indicated and Inferred Mineral Resource estimate. Confidence in the resource estimate has also improved substantially as a function of mining development and new drilling.

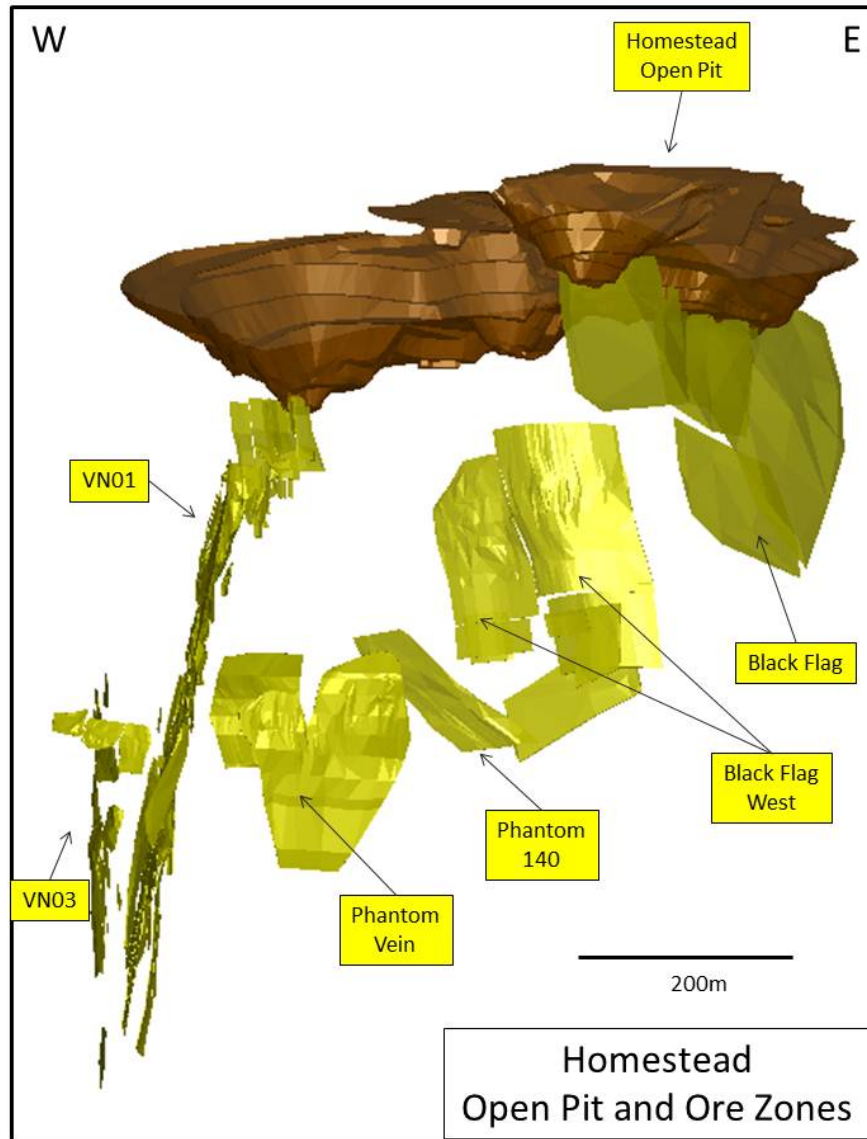
The Measured and Indicated component of the resource estimate is 47,000t @ 29.2g/t Au (44,000oz), or over half (53%) of the total resource. This component of the resource has sufficient confidence to be considered for resource to reserve conversion - and mining evaluation studies of this higher confidence material are underway.

**Table 2: Black Flag West Vein Mineral Resource Estimate Summary**  
February 2013 (3.5g/t Au cut-off)

Category	Tonnes	Grade	Ounces
<b>Measured</b>	27,000	33.2	29,000
<b>Indicated</b>	20,000	23.6	15,000
<b>Inferred</b>	60,000	19.7	38,000
<b>Total</b>	<b>107,000</b>	<b>23.9</b>	<b>82,000</b>

\*Arithmetic inconsistencies due to rounding

*Figure 2: Homestead Deposit – vein geometry*



**Competent Persons Statement**

The information in this report that relates to Exploration drilling results and Mineral Resources is based on information compiled by Peter Ruzicka. Peter Ruzicka is a member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Norton Gold Fields Limited.

Peter Ruzicka has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this report, 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'. Peter Ruzicka consents to the inclusion in this report of matters based on his information in the form and context in which it appears.



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**Table 1: Black Flag West – Significant Diamond Drilling Results**

Hole_ID	AMG_East	AMG_North	Dip	Azi	RL	Depth	From (m)	To (m)	DH Width(m)	Grade g/t Au
HUD787	330283	6619842	-55	282.3	194	104.8	87.75	88.5	0.75	7.73
HUD788	330284	6619840	-73	222.5	194	89.7	49	50	1.00	7.94
							60	61	1.00	4.4
HUD832	330294	6619830	34	216	197	91.1	62.2	62.7	0.50	8.9
HUD833	330298	6619828	-10.5	154.5	194	128.5	80.25	81.1	0.85	26.90
							87.15	89.15	2.00	8.9
HUD834	330298	6619828	14.7	160	194	140.7	100.2	113.9	13.70	13.26
							127	132	5.00	6.8
							136.8	140.7	3.90	25.07
HUD835	330283	6619841	35	222.5	197	96.1	86	88	2.00	8.9
HUD836	330284	6619840	35	236	197	95.2	56	57	1.00	4.4
							80	81	1.00	5.5
HUD837	330294	6619830	31	198.5	197	89	38	39	1.00	18.4
							72.5	75.9	3.40	6.0
HUD838	330297	6619827	30	186	197	111.4	90.65	93.25	2.60	106.2
HUD839	330297	6619827	27	175.5	197	117.9	106.9	108.5	1.60	68.7
HUD840	330299	6619826	-12.5	147.5	195	141.5	71.25	72	0.75	14.2
							89.55	91	1.45	10.2
							96.4	100.2	3.80	5.3
							104	105	1.00	36.8
							115.6	116.5	0.90	5.9
							122	124.35	2.35	36.9
HUD841	330299	6619826	-20	141	195	146.6	100	104.3	4.30	16.6
							111	112	1.00	3.9
HUD843	330299	6619826	22.5	155	197	155.6	114.35	116	1.65	13.0
HUD844	330299	6619826	147	16.5	197	146	78.4	79.4	1.00	4.3
							117.1	117.5	0.40	13.3
HUD858A	330302	6619829	-11.5	140	196	144.8	104.6	108.55	3.95	5.6
							111	115.1	4.10	2.7
HUD860	330299	6619826	10	155	196	151.3	94.15	97.8	3.65	30.32
							102	103	1.00	4.49
							108	110	2.00	7.0
							120	121	1.00	5.4

Analysis by 30g Fire Assay  
 Results compiled by using a 3.5g/t cut-off grade, no top-cut grade  
 Maximum of 2m internal dilution, minimum interval of 0.3 m