



13 June 2013

Manager Companies  
Companies Announcement Office  
Australian Securities Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

**SUPPLEMENTARY BIDDER'S STATEMENT BY NORTON IN RELATION TO  
ITS OFF-MARKET TAKEOVER OFFERS FOR KALGOORLIE MINING COMPANY LIMITED**

In accordance with Section 647(3)(b) of the *Corporations Act 2001* (Cth) (**Corporations Act**), attached is a copy of a Supplementary Bidder's Statement dated 13 June 2013 in relation to Norton Gold Fields Limited's (ASX:NGF) off-market takeover offers to acquire all the ordinary shares and listed options in Kalgoorlie Mining Company Limited (ASX:KMC) (**KMC**). The Bidder's Statement has been lodged with ASIC and provided to KMC today.

Yours sincerely

A handwritten signature in black ink, appearing to be 'R. Jones', written over a light blue horizontal line.

Richard P. Jones  
Legal Counsel / Company Secretary  
Norton Gold Fields Limited

**SUPPLEMENTARY BIDDER'S STATEMENT  
BY NORTON GOLD FIELDS LIMITED ACN 112 287 797  
IN RELATION TO ITS OFF-MARKET TAKEOVER OFFERS FOR KALGOORLIE MINING  
COMPANY LIMITED ACN 091 009 559**

**1. INTRODUCTION**

This document is a Supplementary Bidder's Statement under section 643 of the Corporations Act 2001 (Cth) dated 13 June 2013 (**Supplementary Bidder's Statement**). It is the first Supplementary Bidder's Statement issued by Norton Gold Fields Limited ACN 112 287 797 (**Norton**), in relation to its off-market takeover offers (**Offers**) for all of the fully paid ordinary shares and listed options in Kalgoorlie Mining Company Limited ACN 091 009 559 (**KMC**).

This document supplements, and should be read together with, the Bidder's Statement lodged with the Australian Securities and Investments Commission (**ASIC**) on 23 May 2013 (the **Bidder's Statement**).

This is an important document and requires your immediate attention. If you are in any doubt as to how to deal with this document you should consult your financial or legal adviser as soon as possible.

Words defined in the Bidder's Statement have the same meaning in this Supplementary Bidder's Statement, unless the context requires otherwise. The definitions and interpretation set out in Section 15 of the Bidder's Statement also apply to this document, unless the context requires otherwise.

**2. AMENDMENTS TO BIDDER'S STATEMENT**

The Bidder's Statement is amended as set out below.

**Loan Funding**

Section 6.10 of the Bidder's Statement includes details about a request received by Norton from KMC with respect to a working capital facility for the purposes of assisting in funding KMC's care and maintenance corporate overheads and other costs.

On 13 June 2013 Norton and KMC signed a binding term sheet under which Norton has agreed to make available to KMC an unsecured loan of a maximum of \$700,000.

To reflect the signing of the binding term sheet, Section 6.10 should be replaced with the following:

*Norton and KMC have entered into a binding term sheet under which Norton will make available to KMC an unsecured loan of a maximum of \$700,000.*

*The terms of the loan were negotiated on an arm's-length, commercial basis between Norton and KMC. The key terms of the loan are as follows:*

- (a) *KMC may borrow a maximum of \$700,000 from Norton, which can be drawdown at any time before 13 June 2014 upon KMC providing Norton 5 days written notice;*
- (b) *KMC must use the funds provided under the loan to fund the care and maintenance of the Bullant Gold Project and meet corporate expenses;*
- (c) *Interest is payable on the amount of the loan outstanding at 11% per annum and must be paid quarterly in arrears;*

- (d) *any outstanding balance of the loan, including principal and interest, must be fully and finally repaid within 6 months after the earlier of:*
- (i) *the maximum \$700,000 available being drawn down;*
  - (ii) *13 June 2014; and*
  - (iii) *the termination of the term sheet.*
- (e) *Both parties have provided limited warranties confirming that they are validly incorporated, have corporate power to own assets and carry on their respective businesses, have full power to enter into and perform the obligations under the term sheet, and that the term sheet has been validly executed and is binding and enforceable against them;*
- (f) *The following will constitute a default by KMC under the term sheet:*
- (i) *failure to pay any amount due and owing;*
  - (ii) *becoming insolvent; and*
  - (iii) *failing to perform a material undertaking under any material agreement to which it is a party (including failing to apply an advance towards the permitted use of the borrowed funds);*
- (g) *In the event Norton notifies KMC that is in breach of the term sheet, and KMC fails to rectify the breach within 14 days of receiving the notice, Norton may terminate the term sheet by providing written notice to KMC.*

### **Options**

The Bidder's Statement provides that in Norton's view the value of the Norton Options is \$0.0316, which is based on standard market accepted valuation methodology.

In order to provide more disclosure and clarity to KMC Shareholders and Optionholders, Norton wishes to supplement the Bidder's Statement with the following additional information:

*Norton has estimated the value of the Norton Options at \$0.0316 using the Black-Scholes Model calculations. Inherent in the application of the Black-Scholes Model are a number of inputs, some of which must be assumed. The data relied upon in applying the Black-Scholes Model was:*

- *The exercise price of the Norton Options being \$0.27;*
- *The price of the underlying Norton Share at the date of the valuation (being 12 April 2013) being \$0.18;*
- *Expiry date of the Options being 30 April 2015;*
- *An expected volatility measure of the Norton Shares being 51.552%;*
- *A risk-free interest rate for the expected life of the Norton Options being 2.80%;*
- *No expected dividend yield from Norton Shares.*

**Pro-forma balance Sheets**

Under the existing paragraph set out in Section 8.4 "Summary Information", the following paragraphs are to be inserted to provide KMC Shareholders and KMC Optionholders additional information with respect to the pro-forma balance sheet of the Merged Group:

*The Norton Board has produced the pro-forma summary of the balance sheet of the Merged Group for information purposes only, based on the known facts and other information publicly available. If the facts, circumstances, assumptions or other information should prove to be different to that described, the conclusions may change accordingly.*

*The Merged Group proforma summary of the balance sheet is indicative only. All adjustments have been made in accordance with IFRS and Australian accounting standards.*

*The Norton Board will undertake a comprehensive assessment of the fair value of the assets and liabilities acquired after the transaction has completed.*

**Effect on Norton Capital Structure**

Table A in Section 8.5 of the Bidder's Statement sets out the Securities of Norton and KMC at the date of the Bidder's Statement and Post-Merger.

Due to a typographical error, the number of shares on issue in KMC on a fully-diluted basis should be replaced with 1,398,017,730.

**Remuneration of Directors**

The tables in Section 14.10 of the Bidder's Statement set out the remuneration paid (including any contingent or deferred compensation) and benefits granted to the directors and key management of Norton by any member of the Norton Group in respect of the financial years ended 30 June 2011 and 30 June 2012.

Due to a number of minor typographical errors in the numbers included in the tables in the Bidder's Statement, the tables should be replaced with the following tables:

Directors	Short term benefits			Post-employment	Long-term benefits		Share based payments Equity settled		Total \$
	Directors' Fees \$	Cash Salary/ Consulting Fees \$	Non-monetary \$	Superannuation \$	Long Service Leave \$	Termination \$	Shares \$	Options \$	
<b>2012</b>									
<b>Non-executive Directors</b>									
A. Timothy Prowse	103,157	-	-	9,248	-	-	-	-	112,405
Anne Bi	60,000	-	-	5,400	-	-	-	-	65,400
Allen Wu <sup>1</sup>	60,000	-	-	-	-	-	-	-	60,000
Mark Wheatley <sup>2</sup>	5,680	57,500	-	791	-	-	-	(128,202)	(64,231)
Xianhui Zeng <sup>3</sup>	47,538	-	-	-	-	-	-	-	47,538
<i>Sub-total for non-executive Directors</i>	276,375	57,500	-	15,439	-	-	-	(128,202)	221,112
<b>Executive Directors</b>									

Directors	Short term benefits			Post-employment	Long-term benefits		Share based payments Equity settled		Total \$
	Directors' Fees \$	Cash Salary/ Consulting Fees \$	Non-monetary \$	Superannuation \$	Long Service Leave \$	Termination \$	Shares \$	Options \$	
W.Andrè Labuschagne <sup>4</sup>	-	419,345	7,325	15,775	5,986			243,839	692,370
<b>Other key management personnel</b>									
Robert Brainsbury <sup>5</sup>	-	304,225	5,636	15,775	-	-	-	135,318	460,954
Ian Sheppard <sup>6</sup>	-	151,784	2,976	7,164	-	-	-	107,186	269,110
Terence Moylan	-	322,302	7,775	15,775	-	-	43,359	-	389,211
Peter Ruzicka	-	254,724	4,985	15,775	-	-	-	-	275,484
<b>TOTAL</b>	<b>276,375</b>	<b>1,509,880</b>	<b>28,697</b>	<b>85,703</b>	<b>5,986</b>	<b>-</b>	<b>43,359</b>	<b>358,241</b>	<b>2,308,241</b>

<sup>1</sup> - Mr Allen Wu resigned as non-executive director on 3 August 2012

<sup>2</sup> - Mr Wheatley resigned as Chairman on 20 July 2011

<sup>3</sup> - Mr Xianhui Zeng was appointed on 16 September 2011 and resigned on 3 August 2012 as non-executive director

<sup>4</sup> - Mr André Labuschagne resigned as Managing Director on 3 August 2012 and left the company on 21 August 2012

<sup>5</sup> - Mr Robert Brainsbury left the company on 21 August 2012

<sup>6</sup> - Mr Ian Sheppard commenced on 9 January 2012, resigned 31 August 2012

Directors	Short term benefits			Post-employment	Long-term benefits		Share based payments Equity settled		Total \$
	Directors' Fees \$	Cash Salary/ Consulting Fees \$	Non-monetary \$	Superannuation \$	Long Service Leave \$	Termination \$	Shares \$	Options \$	
<b>2011</b>									
<b>Non-executive Directors</b>									
A.Timothy Prowse	60,000	-	-	5,400	-	-	-	-	65,400
Anne Bi	60,000	-	-	5,400	-	-	-	-	65,400
Allen Wu <sup>1</sup>	7,231	-	-	-	-	-	-	-	7,231
Mark Wheatley <sup>2</sup>	102,963	-	-	9,267	-	-	-	128,202	240,432
Mark McCauley <sup>3</sup>	46,650	-	-	2,407	-	-	-	-	49,057
Tim Sun <sup>4</sup>	52,565	-	-	-	-	-	-	-	52,565
David Franklin <sup>5</sup>	-	-	-	-	-	-	-	-	-
Ian McCauley <sup>6</sup>	-	-	-	-	-	-	-	-	-
<i>Sub-total for non-executive Directors</i>	<b>329,409</b>	<b>-</b>	<b>-</b>	<b>22,474</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,202</b>	<b>480,085</b>
<b>Executive Directors</b>									
Mark McCauley <sup>3</sup>	-	105,519	-	5,443	-	-	-	-	110,962

Directors	Short term benefits			Post-employment	Long-term benefits		Share based payments Equity settled		Total \$
	Directors' Fees \$	Cash Salary/ Consulting Fees \$	Non-monetary \$	Superannuation \$	Long Service Leave \$	Termination \$	Shares \$	Options \$	
W.Andrè Labuschagne <sup>7</sup>	-	394,917	9,086	15,199	1,772	-	-	205,124	626,098
<b>Other key management personnel</b>									
Robert Brainsbury <sup>8</sup>	-	222,279	5,212	12,205	-	-	-	63,570	303,266
Terence Moylan	-	319,600	12,386	15,199	-	-	222,635	-	569,820
Peter Ruzicka <sup>9</sup>	-	214,100	6,018	15,244	-	-	-	-	235,363
<b>TOTAL</b>	<b>329,409</b>	<b>1,256,415</b>	<b>32,703</b>	<b>85,764</b>	<b>1,772</b>	<b>-</b>	<b>222,635</b>	<b>396,896</b>	<b>2,325,594</b>

<sup>1</sup> - Dr Wu was appointed non-executive director on 17 May 2011

<sup>2</sup> - Mr Wheatley, Chairman, resigned on 20 July 2011

<sup>3</sup> - Mr McCauley was acting CEO until 13 September 2010 and non-executive director till 22 June 2011

<sup>4</sup> - Mr Sun resigned as non-executive director on 17 May 2011

<sup>5</sup> - Mr Franklin resigned as non-executive director on 11 April 2011, Mr Franklin elected not to receive remuneration for his services

<sup>6</sup> - Mr I McCauley resigned as alternative director on 6 September 2010

<sup>7</sup> - Mr Labuschagne was appointed Managing Director on 13 September 2010

<sup>8</sup> - Mr Brainsbury was appointed CFO and Co-Company Secretary on 13 September 2010

<sup>9</sup> - Mr Ruzicka was appointed General Manager Geology and Exploration with Norton Gold Fields Limited effective from 1 February 2011

### 3. LODGEMENT WITH ASIC

A copy of this document was lodged with ASIC on 13 June 2013. This document will prevail to the extent of any inconsistency with the Bidder's Statement. Neither ASIC nor any of its officers takes any responsibility for the contents of this document.

### 4. AUTHORISATION

This document has been approved by a unanimous resolution passed by the directors of Bidder.

Dated 13 June 2013.

Signed for and on behalf of  
Norton Gold Fields Limited

Dianmin Chen  
Director