



Chairman's Letter to Shareholders

14 June 2012

Dear Shareholder

RECOMMENDED CASH TAKEOVER OFFER BY ZIJIN FOR NORTON GOLD FIELDS

I trust you have noted Norton Gold Fields' (ASX: NGF) announcement on 31 May 2012 confirming Zijin Mining Group Co., Ltd's (**Zijin**) change of control offer for your Norton shares.

Since the indicative takeover proposal was announced on 3 April 2012, Norton's Recommending Directors (Directors other than Mr Zeng who is conflicted due to his association with Zijin) and senior management have been actively engaged in a rigorous negotiation and due diligence process with our Zijin counterparts. I'd like to thank you for your patience during this time while we negotiated what we believe is an attractive offer for all Norton shareholders.

Last November, after Zijin made their initial investment into Norton, Andre and I visited Zijin's largest mining operation near Xiamen in the Fujian Province of southern China. Their operation is a large low grade open cut gold and copper mine, technically highly advanced, producing gold at low costs and with a number of similarities to our Paddington mine. We both felt there were good synergies between the companies.

Norton has made huge progress over the past five years since buying the Paddington mine and transforming itself from an explorer into major gold producer. The mine has proven a stable and impressive producer yielding a high return on investment, albeit at higher than average operating costs. The well publicised problems associated with our debt and hedge facility with Lehman's have been resolved, however the legacy of paying out over \$100M over the past two years in debt reduction has been an impost on the business, and in particular the share price.

In spite of the many achievements we have regularly announced to the market, our share price (as with many of our peers) has failed to perform to the Board's hopes and expectations.

The offer by Zijin (via one of its wholly-owned subsidiaries) warrants close consideration by shareholders. Zijin and Norton have agreed arrangements that, assuming the offer becomes unconditional, will give shareholders who accept the offer and who hold shares on the record date a total return of \$0.27 per share – the offer price of \$0.25 to be paid by Zijin, and a \$0.02 special unfranked dividend that Norton proposes to declare and pay subject to certain milestones and conditions being met. The transaction value represents a substantial premium to \$0.185 being the closing price of Norton shares before the informal approach from Zijin was announced (29 March 2012) and to the 12-month VWAP of (\$0.186) up to the 29th March 2012.

The Company will keep you well informed as the offer documentation is formalised and the offer opens for acceptance. Of special note is to ensure you are aware when your shares will trade 'cum' and 'ex' the proposed \$0.02 special dividend (as those dates will not be known until the Norton Board formally declares and announces the dividend).

Further details of the offer and the proposed dividend eligibility requirements, are set out in our ASX announcement of 31 May 2012, which I would encourage you to read.

In summary, the offer is subject to a number of fairly standard conditions, including:

- Zijin achieving a minimum interest of 50.1% of the Norton shares;
- Foreign Investment Review Board and Chinese regulatory approvals; and
- The (spot) gold price not falling below A\$1,400 for any 72 hour trading period before 30 November 2012.

Zijin expects to dispatch its Bidder's Statement containing detailed information relevant to the offer within the next five to six weeks, and the offer will be open for your acceptance a short time thereafter. Norton's Target's Statement will then follow and will include important considerations for Norton shareholders regarding the offer, including Norton's Board's recommendation, the taxation implications of the offer and other relevant information. Ahead of formally issuing that document, I would like to share with you the Recommending Directors' current position on the offer.

"After carefully considering Zijin's offer and the substantial premium it represents to Norton shareholders, and in the absence of a superior offer the Recommending Directors believe Zijin's offer is in the best interests of Norton's shareholders and are unanimous in recommending that Norton shareholders accept Zijin's offer when it opens for acceptance."

I confirm too that I intend to accept Zijin's offer in respect of my own Norton shares, and those I control.

The offer will remain open for acceptance for a minimum period of one month. Zijin has agreed with Norton that the aggregate offer period will not be longer than six months.

Norton remains committed to keeping shareholders fully informed, and will make further announcements in due course regarding the offer progress and the Special Dividend.

In the interim, I invite you to visit Norton's website, www.nortongoldfields.com.au which has been updated with further information in relation to Zijin's offer.

Yours sincerely



Tim Prowse, Chairman