

NORTON GOLD FIELDS LIMITED

Norton Gold Fields (ASX: NGF)

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June 2013

Quarterly Activities Report

Exceeding Guidance and Growing

Paddington Operations	Jan - June 2013 Guidance	Jan - June 2013 Actual
Gold Production (oz)	76,000 - 80,000oz	85,517oz
C1 Cash Cost per Ounce	A\$1,060 - 1,140/oz	A\$1,031/oz

"Norton is very pleased to deliver production and cost results that exceed market guidance. This is evidence of the Company's ability to deliver challenging production targets, and a reflection of the dedication of our staff to achieve our Vision in the current turbulent market. With significant capital investment made in the new Enterprise Mine and owner mining fleet fully commissioned, we expect further cost reductions in line with our 2013 Production Guidance announced on 1 March 2013", stated Norton Gold Fields Limited Managing Director and Chief Executive Officer, Dr Dianmin Chen.

HIGHLIGHTS

- Results for the six months ended 30 June 2013 (Half Year) exceed Production Guidance.
- Gold production of 41,464oz for June 2013 Quarter (85,517oz YTD).
- C1 cash costs of A\$1,029/oz for June 2013 Quarter (A\$1,031/oz YTD).
- Record gold production (over a six month period) of 85,517 ounces at Paddington Operations since the takeover by Norton Gold Fields in 2007.
- Ball mill head successfully replaced.
- Owner mining equipment fully commissioned.
- Enterprise Mine officially opened and development stripping commenced.
- Takeover of Kalgoorlie Mining Company Limited announced.
- Annual General Meeting held 22 May 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 678km². Norton's vision is to be a leading long term gold producer and to achieve this has adopted a business model that seeks to attain sustainable and increased production within a strict cost control environment.

Paddington Gold Mine

- ✓ Gold production totalled 85,517oz for the Half Year, an increase of 7 - 13% on gold production guidance provided to the ASX on 1 March 2013.
- ✓ Production of 41,464oz for the June 2013 Quarter. Average gold price received of A\$1,402/oz.
- ✓ C1 Cash Cost of A\$1,029/oz for the June 2013 Quarter, slightly down on previous quarter. C1 Cash Cost of A\$1,031 for the Half Year was well under guidance (Total Cost of A\$1,312).
- ✓ Owner mining equipment was commissioned during the June 2013 Quarter. The new fleet is expected to increase productivity through improved fleet mechanical availability, and reduce operating costs.
- ✓ The Enterprise Open Pit Mine was officially opened on 21 May 2013. Waste stripping commenced on 2 May 2013 with ore production expected in the last quarter of 2013.
- ✓ Ball mill head replacement undertaken in mid-June 2013 was successfully completed ahead of schedule, with no reportable safety incidents. Early completion enabled additional production time resulting in above forecast gold production.

Corporate

- ✓ On 17 April 2013, Norton announced a friendly off-market takeover offer to acquire Kalgoorlie Mining Company Limited (ASX: KMC). The takeover will bring together complementary assets and deliver greater production, cost efficiency and exploration upside for both companies.
- ✓ The Annual General Meeting of shareholders was held on 22 May 2013. All resolutions were passed with the results announced same day.
- ✓ Ms Leni Stanley resigned as Joint Company Secretary effective 31 May 2013.



Safety & Environment

During the June 2013 quarter there was disappointingly one lost time injury when a Mechanical Fitter sustained a wrist fracture whilst undertaking repairs to a bogger. The employee returned to work on alternative duties.

The Company's remains committed to our goal of Zero Harm: *Minimising potential harm to people, the environment and communities in which we operate.* The Lost Time Injury Frequency Rate has decreased by 50% in the past 12 months however work continues to reduce this further.

The Paddington Operations Mines Rescue Team placed 3rd in the 2013 Chamber of Mines and Energy's annual Surface Mines Rescue Competition held 4 & 5 May 2013. The competition was held at various sites around Kalgoorlie, including Norton's Navajo Chief and Janet Ivy mines. This was an excellent achievement given it was only the team's third entry into the competition, and follows on from our win in the CME's Underground Mine Emergency Response Competition held in November 2012. Team members continue to be rotated through competition teams to increase the number of employees exposed to this level of emergency response.

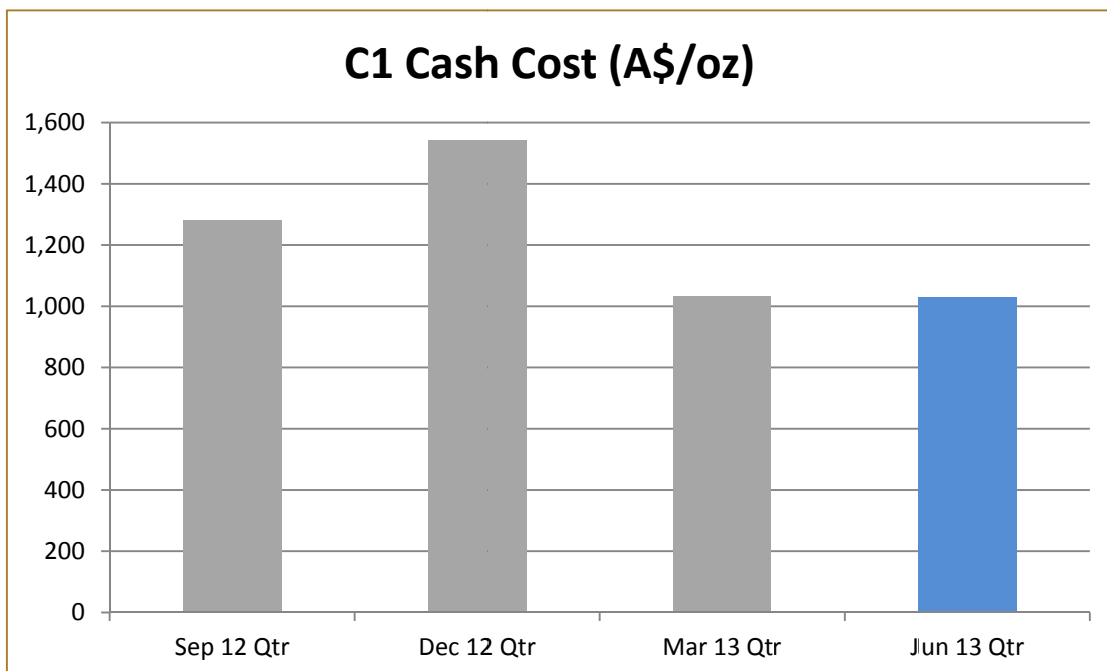
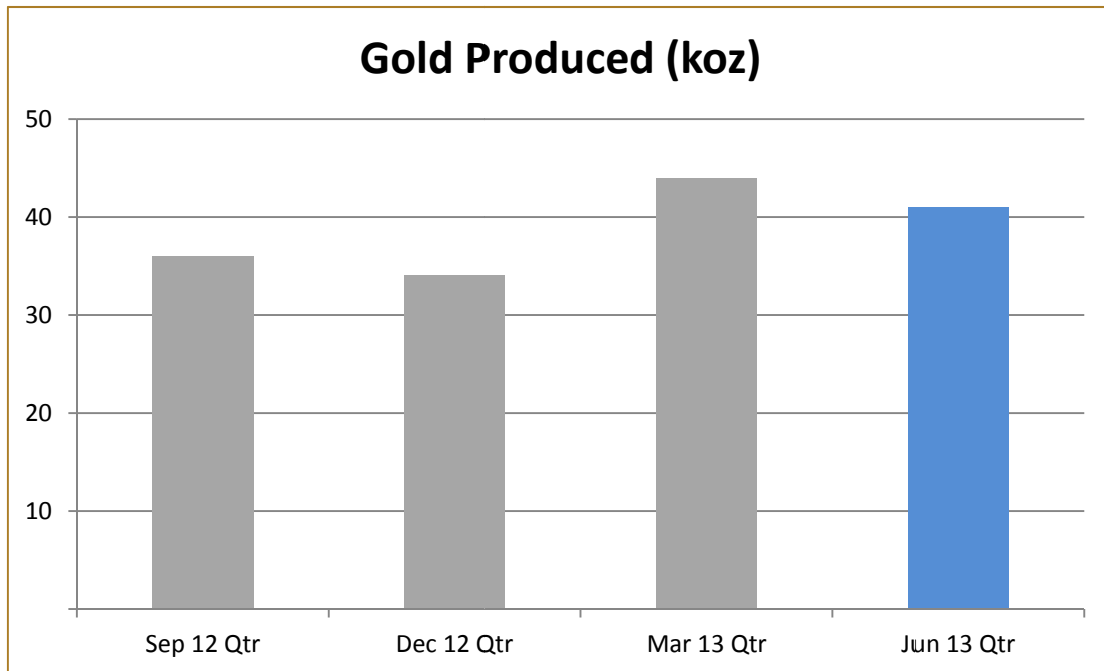
There were no reportable environmental incidents.



Paddington Operations

Summary

- During the June 2013 Quarter 41,751oz of gold was shipped. Gold shipped for the Half Year was 85,102oz.
- During the June 2013 Quarter the Paddington Mill processed 828,326kt of ore at a 1.65g/t head grade with 94.1% recovery. For the Half Year the Paddington Mill processed 1.72Mt of ore at a 1.65g/t head grade with 93.49% recovery.
- Mining continued at the Navajo Chief, Green Gums and Violet open cut. Mining commenced at the Enterprise and Golden Flag mines, whilst all mining and rehabilitation works were completed at Catherwood open pit.
- The June 2013 Quarter C1[^] cash cost was A\$1,029/oz. Half Year C1[^] cash cost was A\$1,031/oz.



^ Refer to page 7 for a definition of C1 cash cost per ounce

Capital expenditure for the June 2013 Quarter (excluding exploration) was A\$57.5M, comprising A\$32.9M for the owner mining fleet, A\$11.4M for Enterprise Mine development and infrastructure, A\$8.2M for development stripping of open cut operations and A\$5.0M for underground mine development. Exploration costs for the quarter were A\$2.7M (A\$6.6M for the Half Year).

Exploration drilling programs for the June 2013 Quarter comprised a total of 7,381 metres. Please refer to the June 2013 Exploration Update to be released later this month for more details.



Paddington Operations location map: Paddington mine sites and haul distances to the plant.

Background: Paddington has conventional open cut and underground mining operations and a carbon-in-leach (CIL) processing operation with capacity to process in excess of 3.3Mt of ore annually. Located 35km north of Kalgoorlie, the Paddington Mill operates 24 hours a day, 365 days a year. Most staff live in Kalgoorlie, a major regional centre and excellent support hub for mining in the Goldfields.

Open Cut Mining

During the period operations continued from Navajo Chief, Green Gums and Violet open cut mines. Mining commenced in Enterprise and Golden Flag mines on 2 May 2013 and 18 May 2013 respectively. Mining under the right to mine agreement with Phoenix Gold Limited at the Catherwood open cut mine ceased in May 2013 as planned. All rehabilitation and site clean-up was completed by quarters end.



The Enterprise Open Pit Mine was officially opened on Tuesday, 21 May 2013 by Federal member for O'Connor, Mr Tony Crook MP, and Mr Jinghe Chen, Chairman of Norton and its major shareholder Zijin Mining Group Limited (pictured above).

Newly purchased open cut owner mining equipment, including a Hitachi EX3600 Excavator and Cat 789 haul trucks, was fully commissioned during the June 2013 Quarter. This equipment will be predominantly utilised at the Enterprise Mine. The new equipment fleet is expected to increase productivity through improved fleet mechanical availability and reduce operating costs in line with previous guidance (please see ASX announcement dated 1 March 2013). Off-hiring of contract equipment commenced during the June 2013 Quarter.

When it reaches full capacity, the A\$110 million Enterprise mine will supply the bulk of ore to the Paddington Mill and will contribute an estimated 110,000oz pa to gold production. It was a great achievement by all involved to have the project approved, construction near complete, owner mining equipment sourced and on site, and officially opened in the space of just 5 months.

Total material moved for the quarter was 3,188 thousand bank cubic metres (kbcm), significantly higher than previous quarters reflecting the pre-stripping activities at the Enterprise open pit mine as well as improved productivity via the new open pit mining fleet.

Ore tonnes mined were 813kt, lower than previous quarters due to stability issues associated with the west wall of the Navajo Chief open pit mine.

Norton continues to build open pit projects in the Mount Pleasant region to supplement high grade oxide feed for the Paddington Mill. The most recent open pit in the Mt Pleasant region is the Golden Flag mine which will provide ore feed material in the latter part of 2013 into 2014.

Open Cut	Jun 13 Qtr	Mar 13 Qtr	Dec 12 Qtr	Sep 12 Qtr
Volume mined (kbcm)	3,188	2,678	2,317	1,503
Ore tonnes (kt)	813	1,093	577	466
Mine grade (g/t)	1.35	1.28	1.03	0.98

Homestead Underground Mining

Production at Homestead continues to see improvements across a number of areas of the operation and as a result, the following records were achieved :

- Ounces produced was 15,355oz, some 3% higher than previously achieved
- Ore tonnes mined was 53kt, some 6% higher than previously achieved
- Development metres achieved was 1,451m, higher than previously achieved

Ounces produced for the June 2013 Quarter were higher than expectations due to the ongoing performance of the Black Flag West ore body as well as the VN01 and VN03 ore bodies. The grade for the quarter was 8.96g/t, some 16.2% above budget due to the above.

Development metres were well above budget due to the success of the Development Improvement Project implemented in the early stages of the June 2013 Quarter. Tonnes mined were above budget due to the additional ore material produced via the increased development metres as per above.

The combined effect of the above has resulted in record underground production in the Half Year (over previous six month periods) of 30,220oz, which is well above budget.

Underground	Jun 13 Qtr	Mar 13 Qtr	Dec 12 Qtr	Sep 12 Qtr
Ore tonnes (kt)	53	46	44	49
Mine grade (g/t)	8.96	10.19	8.71	7.97
Ore development (metres)	1,451	971	1,082	1,034
Capital development (metres)	626	488	521	415

Processing

During the June 2013 Quarter the Paddington Mill processed 828kt of ore at a 1.66g/t head grade with 94.1% recovery. For the Half Year the Paddington Mill processed 1.72Mt of ore at a 1.65g/t head grade with 93.49% recovery.

The ball mill feed head replacement was successfully completed in mid-June 2013 ahead of schedule, with no reportable safety incidents. Installation of the new ball mill head was postponed to late in the reporting period due to better than expected performance of the mill following repairs undertaken in late 2012. Early completion of the shutdown enabled additional production time resulting in above forecast gold production. The success of this project can be attributed to the careful planning and execution by the team at Paddington Operations and the various contractors involved.



Gold shipped for the June 2013 Quarter was 41,751oz at an average gold price of A\$1,402/oz. Gold shipped for the Half Year was 85,102oz at an average gold price of A\$1,483/oz.

Ore Processing		Jun 13 Qtr	Mar 13 Qtr	Dec 12 Qtr	Sep 12 Qtr
Ore milled	(kt)	828	891	800	848
Feed grade	(g/t)	1.66	1.65	1.44	1.40
Recovery	(%)	94.1	93%	93%	94%
Gold production	(oz)	41,464	44,053	34,272	35,666
Average gold price	(A\$/oz)	1,402	1,560	1,641	1,601



Costs

The C1 cash cost for the June 2013 Quarter was A\$1,029/oz, slightly lower than previous quarters due to the commissioning of the owner mining fleet across the Paddington Operations, as well ongoing cost improvement initiatives.

The C1 cash cost for the Half Year was A\$1,031/oz (versus guidance announced to the ASX on 1 March 2013 of A\$1,060 - 1,140/oz). C3 cash costs for the Half Year were A\$1,312/oz.

Operating costs are expected to further reduce in the coming quarters in line with the guidance figures announced to the ASX on 1 March 2013 following the commissioning of the underground owner mining fleet, off-hiring of contractor equipment and Paddington Operations cost improvement initiatives.

		Jun 13 Qtr	Mar 13 Qtr	Dec 12 Qtr	Sep 12 Qtr
C1 cash cost	(A\$/oz)	1,029	1,033	1,377	1,281
C2 production cost	(A\$/oz)	1,217	1,303	1,733	1,613
C3 total cost	(A\$/oz)	1,275	1,347	1,784	1,660

C1 cash cost represents the costs for mining, processing, administration, including accounting movements for stockpiles and gold-in-circuit and net proceeds from by-product credits. It does not include capital costs for exploration, mine development, processing mill capital works and cost of royalties.

C2 production cost reflects C1 costs plus depreciation and amortisation. This brings in the capital cost of production.

C3 total cost reflects C2 plus cost of royalties.

Mount Morgan Mine Project

Norton continues to consider options for the Mount Morgan project, including divestment.

The Department of Natural Resources and Mines has extended the current Deed of Variation from 30 June 2013 to 31 December 2013 to facilitate the ongoing discussions regarding the replacement agreement.

The mining leases have been renewed.

Takeover of Kalgoorlie Mining Company Limited

On 17 April 2013, Norton announced a friendly off-market takeover offer to acquire Kalgoorlie Mining Company Limited (KMC). This acquisition complements Norton's strategy of increasing gold production to drive costs down. The Bidder's Statement was released on 27 May 2013, with a further Supplementary Bidder's Statement released on 13 June 2013. Regular updates have been provided as to the change in substantial holding, and all announcements and documents relating to the takeover are available on Norton's website www.nortongoldfields.com.au.

KMC's Bullant project is located 28 kms west of Paddington (a haulage distance of around 40kms). The takeover will bring together complementary assets and deliver greater production, cost efficiency and exploration upside for both companies. Information about KMC can be found on its website at www.kalmining.com.au.

As at 19 July 2013 Norton had received acceptances in respect of 84.50% of KMC's ordinary shares and 55.14% of its listed options.

Corporate

At the end of June 2013 Quarter, Norton had A\$18M cash at bank. The cash balance excludes an additional A\$23M in cash backed environmental bonds. Following the introduction of the new WA government Mining Rehabilitation Fund we expect these bonds to be returned and replaced with an annual levy.

The Annual General Meeting of shareholders was held on 22 May 2013. All resolutions were passed with the results announced same day.

Ms Leni Stanley resigned as Joint Company Secretary effective 31 May 2013.

Corporate Directory

Board & Senior Management

Jinghe Chen

Non-Executive Chairman

Dianmin Chen

Managing Director
& Chief Executive Officer

Anne Bi

Non-executive Director

Xuelin Cai

Non-executive Director

Noel White

Non-executive Director

Terry Moylan

General Manager Projects &
Business Development

Steven Phan

Chief Financial Officer

Peter Ruzicka

General Manager Exploration

Guy Simpson

General Manager Technical
Services

Cullum Winn

General Manager Paddington
Operations

Company Secretary

Richard Jones

Media Relations

Warrick Hazeldine / Annette Ellis
Purple Communications
Tel: +61 (8) 6314 6300

Share Capital

861.6 million ordinary shares

Nil listed options

Presentation and Rounding

Unless stated otherwise, all
dollars shown are Australian
dollars.

Competent Persons Statement

The information in this report that relates to Mineral Resources is based on information compiled by Peter Ruzicka and Andrew Bewsher. The information in this report that relates to Mineral Reserves is compiled by Guy Simpson and Elizabeth Jones. Exploration drilling results have been compiled by Peter Ruzicka. In some instances material relating to historical resource models is reported, these models have been reviewed and validated by Peter Ruzicka.

Peter Ruzicka, Guy Simpson and Elizabeth Jones are all members of the Australasian Institute of Mining and Metallurgy and full-time employees of Norton Gold Fields Limited. Andrew Bewsher is a member of the Australian Institute of Geoscientists and a full-time employee of BM Geological Services PL, a consulting group to Norton Gold Fields Limited.

Guy Simpson, Elizabeth Jones, Peter Ruzicka and Andrew Bewsher all have 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'. Guy Simpson, Elizabeth Jones, Peter Ruzicka and Andrew Bewsher all consent to the inclusion in this report of matters based on their information in the form and context in which it appears.

Mount Morgan Project

The information in this report that relates to Mineral Resources of the Mount Morgan Mine project was prepared in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") by Troy Lowien, Senior Resource Geologist, of Polymetals Mining Limited, who is a Member of The Australian Institute of Mining and Metallurgy ("AUSIMM") and has a minimum of five years of experience in the estimation, assessment and evaluation of Mineral Resources of this style and is the Competent Person as defined in the JORC Code. Troy Lowien conducted the geological modelling, statistical analysis, variography, grade estimation and report preparation. This report accurately summarises and fairly reports his estimations and he has consented to the resource report in the form and context in which it appears.

Paddington Reserve and Resource statement (gold) as at 31 December 2012

Reserve	Mt	g/t	Moz
Proven	0.93	1.43	0.04
Probable	21.9	1.54	1.08
Total	22.8	1.53	1.12

Resource	Mt	g/t	Moz
Measured	0.90	2.02	0.06
Indicated	74.8	1.37	3.29
Inferred	47.1	1.87	2.84
Total	122.9	1.57	6.19

Mount Morgan Resource statement (gold) as at 31 December 2012

	Mt	g/t	Moz
Indicated	2.487	1.59	0.127
Inferred	5.861	1.07	0.199
Total	8.348	1.23	0.326

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Share Registry

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Tel +61 1300 554 474 (overseas)

Please direct shareholding
enquiries to the share registry