NORTON GOLD FIELDS LIMITED

12 August 2013

Appendix 4D (Rule 4.2A.3)
Financial Report
For the half -year period ended 30 June 2013

Results for announcement to the market

(All comparisons are to the half-year ended 30 June 2012)

	$'000	Up/Down	% movement
Revenue	126,579	Down	0%
Gross Profit	13,841	Down	(40%)
Net profit after income tax (NPAT)	773	Down	(76%)

Audit

This report is based on the consolidated half-year financial report which has been reviewed.

Acquisitions and disposals

There were no acquisitions or disposals in the period.

Commentary on results for the period

Revenue of $126.579 million for the half-year ended 30 June 2013 was down $0.383 million compared to the previous corresponding period due to lower average gold price ($1,483 per ounce) and largely offset by higher gold shipments (up 6,043 ounces). Net cash and cash equivalents as at 30 June 2013 of $18.627 million decreased by $0.391 million in the half-year ended compared to an increase of $11.540 million in the previous corresponding period due to significant investments in equipment offset by cash from borrowings and operating activities.

Gross profit of $13.841 million for the half-year ended 30 June 2013 was down $9.212 million compared to the previous corresponding period due to lower average gold price offset by increased production. The March and June quarterly reports provide details of the key operational drivers during the period.

Net profit after income tax of the group (NPAT) of $0.773 million for the half-year ended 30 June 2013 was down $2.387 million compared to the previous corresponding period due to deferred income tax benefit, lower financing costs and settling of the hedge book in previous corresponding period offset by unrealized foreign exchange loss on borrowing in the current period.

Dividends

The Directors do not recommend payment of a dividend. No dividend was paid during the half year or the corresponding period. Consequently there is no record date.

Net tangible assets per share (fully diluted)

The net tangible assets per share were 14.46 cents for 30 June 2013 and 14.86 cents for 31 December 2012.

Additional 4D disclosures

Additional disclosure requirements can be found in the Directors' Report and consolidated financial report attached to this report.

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NORTON GOLD FIELDS LIMITED

ACN 112 287 797

Interim Financial Report

For the half-year ended 30 June 2013

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2012 and any public announcements made by Norton Gold Fields Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Directors' report

The directors present their report on the Norton Gold Fields Limited Consolidated Group (the group) consisting of Norton Gold Fields Limited (the company) and the entities it controlled at the end of or during the half-year ended 30 June 2013.

Directors

The following persons were directors of Norton Gold Fields Limited during the half-year period and up to the date of this report:

Jinghe Chen (Non-executive Chairman)
Dianmin Chen (Managing Director and Chief Executive Officer)
Anne Bi (Non-Executive Director)
Tim Prowse (Non-Executive Director) retired on 1 February 2013
Hanjing Xu (Non-Executive Director) resigned on 1 July 2013
Dr. Noel White (Non-Executive Director) appointed on 18 March 2013
Xuelin Cai (Non-Executive Director) appointed on 18 March 2013

Review of operations

Revenue of $126.579 million for the half-year ended 30 June 2013 was down $0.383 million compared to the previous corresponding period due to lower average gold price ($1,483 per ounce) and largely offset by higher gold shipments (up 6,043 ounces). Net cash and cash equivalents as at 30 June 2013 of $18.627 million decreased by $0.391 million in the half-year ended compared to an increase of $11.540 million in the previous corresponding period due to significant investments in equipment offset by cash from borrowings and operating activities.

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Rounding of amounts

The group has applied the relief available to it in Australian Securities and Investments Commission (ASIC) Class Order 98/0100 and accordingly certain amounts in the financial report and the Directors' Report have been rounded off to the nearest $1,000.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

This report is made in accordance with a resolution of the directors.

Dianmin Chen
Managing Director
12 August 2013

Ernst & Young
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Auditor's Independence Declaration to the Directors of Norton Gold Fields Limited

In relation to our review of the financial report of Norton Gold Fields Limited for the half-year ended30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Robert Kirkby
Partner
12 August 2013

RK:DJ:NGF:019

Consolidated statement of comprehensive income
For the half-year ended 30 June 2013

	Notes	Half-year 30 June 2013 $'000	Half-year 30 June 2012 $'000
Revenue		126,579	126,962
Cost of sales	3	(112,738)	(103,909)
Gross profit		**13,841**	**23,053**
Administrative expenses	4	(4,450)	(6,476)
Unrealised foreign exchange loss	7	(13,863)	-
Other income		632	606
Hedging loss		-	(5,309)
Profit / (loss) before net finance costs		**(3,840)**	**11,874**
Finance income		1,050	2,161
Finance expense		(1,843)	(4,148)
Profit / (loss) before tax		**(4,633)**	**9,887**
Income tax (expense) / benefit	5	5,406	(6,727)
Profit for the half-year attributable to the owners of the parent entity		**773**	**3,160**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Reclassification adjustment for the deferred hedging loss included in profit or loss		-	5,309
Income tax relating to items that may be reclassified		-	(1,593)
Other comprehensive income for the half year, net of tax		**-**	**3,716**
Total comprehensive income for the half year attributable to owners of the parent entity		**773**	**6,876**
Earnings per share		**Cents**	**Cents**
Basic earnings per share		0.09	0.37
Diluted earnings per share		0.09	0.37

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

NORTON GOLD FIELDS LIMITED

Consolidated statement of financial position
As at 30 June 2013

	Notes	30 June 2013 $'000	31 December 2012 $'000
Assets			
Current Assets			
Cash and cash equivalents		18,627	19,018
Trade and other receivables		6,900	13,469
Inventories		30,443	21,336
Other assets	6	22,719	9,798
Total current assets		78,689	63,621
Non-current Assets			
Deferred tax assets		15,384	9,978
Exploration and evaluation assets		56,564	74,801
Capitalised mining costs		64,875	37,235
Property, plant and equipment		86,590	29,465
Other assets		640	20,882
Total non-current assets		224,053	172,361
Total Assets		302,742	235,982
Liabilities			
Current Liabilities			
Trade and other payables		33,826	33,592
Provisions		5,824	5,141
Financial liabilities	7	-	38,000
Total current liabilities		39,650	76,733
Non-current Liabilities			
Financial liabilities	7	114,801	11,568
Provisions		23,680	23,897
Total non-current liabilities		138,481	35,465
Total Liabilities		178,131	112,198
Net Assets		**124,611**	**123,784**
Equity			
Contributed equity	8	176,652	176,652
Reserves	9	10,547	10,493
Retained profit	10	(62,588)	(63,361)
Total Equity		**124,611**	**123,784**

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
For the half-year ended 30 June 2013

	Note	Contributed equity $'000	Accumu-lated losses $'000	Hedge reserve $'000	Share-based payments reserve $'000	Total equity $'000
At 1 January 2012		**174,252**	**(26,770)**	**(3,716)**	**10,172**	**153,938**
Comprehensive income						
- Net profit after tax		-	6,042	-	-	6,042
Adjustment on Application of accounting policy (net of tax)	1 (i)	-	(2,882)	-	-	(2,882)
Restated profit for the period			3,160	-	-	3,160
- Allocation to hedge reserves		-	-	3,716	-	3,716
Total comprehensive income for the half year		**-**	**3,160**	**3,716**	**-**	**6,876**
Transactions with owners in their capacity as owners						
Contributions of equity, net of transaction costs and deferred tax		-	-	-	-	-
Non-cash share based payments		-	-	-	392	392
At 30 June 2012		**174,252**	**(23,610)**	**-**	**10,564**	**161,206**
Comprehensive income						
- Net loss after tax		-	(21,143)	-	-	(21,143)
Adjustment on Application of accounting policy (net of tax)	1 (i)	-	(1,376)	-	-	(1,376)
Restated profit for the period		-	(22,519)	-	-	(22,519)
Total comprehensive income for the half year		**-**	**(22,519)**	**-**	**-**	**(22,519)**
Transactions with owners in their capacity as owners						
Contributions of equity, net of transaction costs and deferred tax		2,400	-	-	-	2,400
Non-cash share based payments		-	-	-	(71)	(71)
Dividends paid		-	(17,232)	-	-	(17,232)
At 31 December 2012		**176,652**	**(63,361)**	**-**	**10,493**	**123,784**
Comprehensive income						
- Net profit after tax		-	**773**	-	-	773
Total comprehensive income for the half year		**-**	**773**	**-**	**-**	**773**
Transactions with owners in their capacity as owners						
Non-cash share based payments		-	-	-	54	54
At 30 June 2013		**176,652**	**(62,588)**	**-**	**10,547**	**124,611**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
For the half-year ended 30 June 2013

	Half-year 30 June 2013 $'000	Half-year 30 June 2012 $'000
Cash flows from operating activities		
Receipts in the course of operations	132,448	139,833
Payments in the course of operations	(101,212)	(100,226)
Interest received	1,050	1,874
Interest and borrowing costs paid	(1,226)	(2,913)
Taxes received/(paid)	-	400
Other receipts	-	643
Net cash provided by operating activities	31,060	39,611
Cash flows from investing activities		
Payments for plant and equipment	(59,311)	(984)
Proceeds on disposal of exploration assets	10,000	5,000
Exploration and mine development costs	(31,034)	(27,020)
Payments for security deposits	(2,476)	(67)
Net cash used in investing activities	(82,821)	(23,071)
Cash flows from financing activities		
Proceeds from issuing borrowings	89,370	-
Repayment of borrowings	(38,000)	(5,000)
Net cash used in financing activities	51,370	(5,000)
Net increase/(decrease) in cash and cash equivalents	(391)	11,540
Cash and cash equivalents at the beginning of the period	19,018	44,351
Cash and cash equivalents at the end of the period	**18,627**	**55,891**

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements
For the half-year ended 30 June 2013

Note 1. Basis of preparation of the half-year report

Norton Gold Fields Limited ("Norton" or "the company") is a company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. Its registered office and principal place of business is:

Level 36 Exchange Plaza
2 The Esplanade
Perth
WA 6000

This financial report for the interim half-year reporting period ended 30 June 2013 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The historical cost basis has been used, except for financial instruments.

This condensed financial report does not include all the disclosures of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this interim financial report is to be read in conjunction with the annual financial report for the year ended 31 December 2012 and any public announcements made by Norton Gold Fields Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies and methods of computation adopted are consistent with those of the most recent annual financial report and have been consistently applied by entities in the group.

Where required by Australian Accounting Standard AASB 134 *Interim Financial Reporting*, comparative figures have been adjusted to conform to changes in presentation for the current period.

(a) Changes in accounting policy

Norton Gold Fields Limited changed its accounting policy as the result of a new or revised accounting standard which became effective for the annual reporting period commencing on 1 January 2013.

The affected policies and standards are:

- Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*

Other new standards that are applicable for the first time for the June 2013 half year report are:

- AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint arrangements* and accounting for employee benefits – revised AASB 119 *Employee Benefits.* The adoption of these new and revised Standards did not have any material financial impact on the amounts recognised in the financial statements of the group for the current or prior periods.

- AASB 13 *Fair Value Measurement,* AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* and AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle.* These standards have introduced new disclosures for the interim report but did not affect the entity's accounting policies or any of the amounts recognized in the financial statements.

Notes to the financial statements
For the half-year ended 30 June 2013

Note 1. Basis of preparation of the half-year report

(i) Stripping costs in the Production Phase of a Surface Mine

In November 2011, the AASB issued Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine which is effective for annual periods beginning on or after 1 January 2013.

Interpretation 20 clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production phase of a mine must be capitalised as inventories under AASB 102 Inventories if benefits from the stripping activity are realised in the form of inventory produced. Otherwise, if stripping activity provides improved access to the ore, stripping costs must be capitalised as a non-current stripping activity asset if certain recognition criteria are met. In such cases, the stripping activity asset must be accounted for as an addition to, or enhancement of, an existing asset, and will be classified as either tangible or intangible, according to the classification of the assets of which it forms a part. It will be amortised over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

Under the group's previous accounting policy stripping costs were accounted for as part of capitalized mining costs and depreciated it over the expected useful life of the mine to which it relates to, rather than the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity asset.

The application of the interpretation requires retrospective restatement from 1 January 2012.

The tables below show the effect of the change in accounting policy on individual lines affected in balance sheet in each of the financial statements. Line items that have not been affected have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

The impact of this change in the entity's accounting policy on individual line items in the financial statements can be summarised as follows:

Income statement (extract)	June 2013 $'000	Profit Increase/ (Decrease) $'000	2013 as presented $'000	June 2012 (Previously stated) $'000	Profit Increase / (Decrease) $'000	June 2012 (Restated) $'000
Cost of sales	(118,821)	6,083	(112,738)	(99,792)	(4,117)	(103,909)
(Loss) Profit for the period	**(5,031)**	**4,258**	**773**	**6,042**	**(2,882)**	**3,160**
Total comprehensive income for the period	**(5,031)**	**4,258**	**773**	**9,758**	**(2,882)**	**6,876**

Notes to the financial statements
For the half-year ended 30 June 2013

Note 1. Basis of preparation of the half-year report (continued)

(i) Stripping costs in the Production Phase of a Surface Mine (continued)

Balance sheet (extract)	30 June 2013 $'000	In-crease/ (De-crease) $'000	30 June 2013 As Presen-ted $'000	31 De-cember 2012 (Previously stated) $'000	In-crease / (De-crease) $'000	31 De-cember 2012 (Re-stated) $'000	1 Jan 2012 (pre-viously stated) $'000	In-crease/ (De-crease) $'000	1 Jan 2012 (Re-stated) $'000
Non current assets									
Deferred tax assets	15,384	-	15,384	8,153	1,825	9,978	10,590	-	10,590
Capitalised Mining costs	64,875	-	64,875	43,318	(6,083)	37,235	25,500	-	25,500
Net assets	**124,611**	**-**	**124,611**	**128,042**	**(4,258)**	**123,784**	**153,938**	**-**	**153,938**
Retained earnings	(62,588)	-	(62,588)	(59,103)	(4,258)	(63.361)	(26,770)	-	(26,770)
Total equity	**124,611**	**-**	**124,611**	**128,042**	**(4,258)**	**123,784**	**153,938**	**-**	**153,938**

Note 2 Segment reporting

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed by the chief operating decision makers (the board of directors) in assessing performance and in determining the allocation of resources.

The group operates in the gold mining industry and derives virtually all revenue from the sale of gold. The operating segments identified by management are Paddington operations and Mount Morgan project.

Description of segments

The consolidated entity has identified its reportable operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and in determining the allocation of resources. Its reporting is on an operational basis.

The reportable segments broadly align with two geographical locations in Australia as this is the source of the consolidated entity's major assets and operating activities which has the most effect on rates of return. The reportable segments are identified as follows:

- Paddington operations: this segment involves the Paddington and Bellamel tenements in Western Australia engaged in exploration, gold mining, processing of ore, and selling of gold bullion.
- Mount Morgan project: Mount Morgan is engaged in the evaluation, development, construction and eventual operation of a gold tailings recovery and processing operation in Queensland.

Accounting policies and inter-segment transactions

In reporting segments, the group has used the same accounting policies as those used in the annual financial report, except for the adoption of IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine as mentioned in Note 1.

Notes to the financial statements (continued)
For the half-year ended 30 June 2013

Note 2 Segment reporting (cont)

Segment information

The following table presents information for reportable segments for the half-year ended 30 June 2013 and 31 December 2012:

	Paddington operations $'000	Mount Morgan project $'000	Total $'000
Half-year ended 30 June 2013			
Total segment revenue	126,579	-	126,579
Intersegment revenue	-	-	-
Revenue from external customers	126,579	-	126,579
Segment result	38,549	(268)	38,281
Intersegment eliminations	-	-	-
Group allocated result	38,549	(268)	38,281
Half-year ended 30 June 2012			
Total segment revenue	126,962	-	126,962
Intersegment revenue	-	-	-
Revenue from external customers	126,962	-	126,962
Segment result	50,125	(217)	49,908
Intersegment eliminations	-	-	-
Group allocated segment result	50,125	(217)	49,908

The focus is on both the revenue and operating costs of the operations. Hence, the board monitors segment performance based on segment result (which excludes other comprehensive income).

Reconciliation of segment result to profit / (loss) before income tax is as follows:

	Half-year 30 June 2013 $'000	Half-year 30 June 2012 $'000
Group allocated segment result	38,281	49,908
Allocation of hedge reserve	-	(5,309)
Depreciation and amortisation	(24,074)	(26,525)
Finance income	1,050	2,161
Finance expenses	(1,843)	(4,148)
Corporate office activities	(18,019)	(6,155)
Other	(28)	(45)
Profit / (loss) before income tax	(4,633)	9,887

Notes to the financial statements (continued)
For the half-year ended 30 June 2013

Note 2 Segment reporting (cont)

Segment assets are allocated based on the operations of the segment and which segment enjoys the risk and benefits of ownership (as opposed to legal ownership).

	Paddington operations $'000	Mount Morgan project $'000	Total $'000
Total segment assets			
Half-year ended 30 June 2013	255,874	12,424	268,298
Year ended 31 December 2012	184,745	12,397	197,142

Reconciliation of segment assets to the group's assets is as follows:

	30 June 2013 $'000	31 December 2012 $'000
Group allocated assets	268,298	197,142
Unallocated:		
Trade and other receivables	759	382
Cash and cash equivalents	17,669	18,387
Deferred tax assets	15,384	9,978
Exploration and evaluation assets	652	652
Property, plant and equipment	387	48
Other	35	9,798
Consolidation eliminations:	-	37
Intercompany receivables	(442)	(442)
Total assets	302,742	235,982

Information on additions to non-current assets associated with segments is provided on a regular basis to the board of directors.

	Paddington operations $'000	Mount Morgan project $'000	Total $'000
Additions to non-current assets			
Half-year ended 30 June 2013	90,320	-	90,320
Year ended 31 December 2012	33,213	-	33,213

The liabilities measure is not disclosed as the board of directors does not focus on liabilities at a segment level for the purposes of making strategic decisions about the allocation of resources.

Notes to the financial statements (continued)
For the half-year ended 30 June 2013

Note 3 Cost of sales

	Half-year 30 June 2013 $'000	Half-year 30 June 2012 $'000
Mining expenses	50,864	42,388
Milling costs	21,097	18,966
Maintenance	10,539	10,130
Haulage	10,039	10,578
Royalties	4,345	3,750
Change in inventories	(8,175)	(8,399)
Depreciation and amortisation	24,029	26,496
	112,738	**103,909**

Note 4 Administrative expenses

Corporate expenses	3,034	4,332
Depreciation	45	29
Rental expense	254	71
Insurance	70	54
Directors' fees	152	162
Professional and consulting fees	895	1,828
	4,450	**6,476**

Note 5 Income tax benefit / (expense)

Tax benefit (expense) comprise:		
Current tax expense in respect of half-year	-	-
Deferred tax expense relating to the origination and reversal of temporary differences and tax losses carried forward	5,406	(6,727)
	5,406	(6,727)

Note 6 Other assets

The Government of Western Australia's Department of Mines and Petroleum introduced a Mining Rehabilitation Fund (DMP). The Fund is effective from 1 July 2013, with a voluntary "opt in" basis with compulsory participation from 1 July 2014.

All tenement holders operating on *Mining Act 1978* tenure, will be required to report disturbance data and contribute annually to the fund, by doing so the current cash back secured bonds will be released by the DMP. The company has the intention to "opt in" voluntarily by the end of the financial year end December 2013 and as such have reclassified the cash back security bonds of $22.719 million to current.

Notes to the financial statements (continued)
For the half-year ended 30 June 2013

Note 7 Financial Liabilities

	30 June 2013 $'000	31 December 2012 $'000
Current		
Jinyu Loan	-	38,000
Non Current		
ICBC facility	114,801	11,568
	114,801	49,568

Reconciliation of movement

	ICBC Facility $'000	Jinyu Loan $'000
Opening Balance	**11,568**	**38,000**
Add:		
Loan drawdown	89,370	-
Foreign exchange loss	13,863	-
Less:		
Repayment of loan	-	(38,000)
Closing Balance	**114,801**	**-**

Jinyu Loan

Jinyu (H.K) International Mining Company Limited ("Jinyu") provided the company with a Bridging Term Loan Facility upon triggering the 45% change of control provision of the senior secured note with Merrill Lynch.

The Unsecured Loan Facility had a 12 month term from initial drawdown and an interest rate of 11% p.a. Upon securing a US$105.000 million facility, this loan was repaid in January 2013.

ICBC Bank Loan

The company secured a US$105.000 million credit facility through the Perth branch of ICBC (Industrial and Commercial Bank of China Limited). The credit facility has a term of 3 year, attracts interest of LIBOR plus 2.1% and is secured by a letter of guarantee issued by the company's major shareholder Zijin Mining Group Co., Ltd. The facility was utilized to fund the company's capital spending requirements at its Paddington operations and to repay the $38.000 million Jinyu loan which was repaid in January 2013. At 31 December 2012 the company had drawn down US$12.000 million. At 30 June 2013 the company had drawn down the full US$105.000 million.

Note 8 Contributed equity

	30 June 2013 Shares	31 December 2012 Shares	30 June 2013 $'000	31 December 2012 $'000
(a) Share Capital				
Fully paid ordinary shares	861,580,265	861,580,265	176,652	176,652
	861,580,265	861,580,265	176,652	176,652

Notes to the financial statements (continued)
For the half-year ended 30 June 2013

Note 8 Contributed equity (continued)

	Number of shares	Issue price $	$'000
(b) Movements in ordinary share capital			
Balance – 1 July 2012	**849,580,265**		**174,252**
Options exercised	12,000,000	0.20	2,400
Balance - 31 December 2012	**861,580,265**		**176,652**
Balance – 30 June 2013	**861,580,265**		**176,652**

Note 9 Reserves

	30 June 2013 $'000	31 December 2012 $'000
Share based payment reserve		
Opening balance 1 July	10,493	10,564
Share and option expense	54	(71)
Closing balance	10,547	10,493

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of share based payments provided to employees as part of their remuneration.

Hedge reserve

The hedge reserve represented the amount fixed at 15 September 2008 (date as at which the former cash flow hedge reserve became ineffective). The reserve was progressively reclassified to profit and loss over the remaining period for which underlying gold sales occur and fully reclassified at 30 June 2012.

Note 10 Accumulated losses

	30 June 2013 $'000	31 December 2012 $'000
Opening balance 1 July	(63,361)	(23,610)
Adjustment on application on accounting policy (Net of tax)	-	(1,376)
Profit/(loss) for the period	773	(21,143)
Dividends	-	(17,232)
Closing balance	**(62,588)**	**(63,361)**

Dividends paid

A special unfranked dividend of 2 cents per share in connection with the off market takeover by Jinyu (H.K.) International Mining Company Limited was paid on 24 August 2012.

Note 11 Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the group's assets and liabilities measured and recognised at fair value at 30 June 2013 and 31 December 2012:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 June 2013	-	-	-	-
At 31 December 2012				
Deferred settlement receivable	-	9,798	-	9,798

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of the deferred settlement receivable was calculated as the present value of the expected cash flows using a discount rate that reflects the credit risk specific to the counterparty (10%). The deferred settlement receivable related to the remaining proceeds of $10 million that were received on 14 March 2013, in relation the sale of EPC 1033, comprising Norton Gold Fields Limited's Sienna and Electra coal projects, to Boardwalk Sienna Pty Ltd.

The aggregate fair values of all other financial assets and liabilities approximate their carrying values at the balance date.

Note 12 Contingencies

The group had no contingent liabilities at 30 June 2013.

Note 13 Events after the reporting period

Except for the matters noted below, no other matters or circumstances have arisen since 30 June 2013 that have significantly affected, or may significantly affect, the Group's operations in future financial years, the results of those operations or the state of affairs in future financial years.

(a) Acquisition of Kalgoorlie Mining Company Limited

On the 17th of April 2013 Norton Gold Fields announced that the company had made an off-market takeover offer for all of the outstanding shares of Kalgoorlie Mining Company ("KMC"). Subsequently, on the 26th of July 2013 the company announced that the offer had become unconditional with Norton receiving acceptances representing 84.85% of KMC's shares and 55.50% of KMC's listed options. On 7 August 2013 the company announced that it has obtained more than 90% of the listed shares of KMC and intends to proceed with the compulsory acquisition of remaining shares.

Details of the purchase consideration are:

	No. of Shares	$'000
Purchase Price		
Fair value of share consideration	70,270,862	10,189
Fair value of option consideration	72,591,793	1,463
Fair value of consideration		11,652

Due to the timing and access to information, the provisional fair value of the assets and liabilities of KMC as at the date of acquisition are yet to be determined.

Note 14 Rounding of amounts

The group satisfies the requirements of Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to "rounding off" of amounts in the financial report to the nearest thousand dollars. Amounts have been rounded off in accordance with that Class Order.

Directors' declaration

The directors of the company declare that:

(a) The financial statements and notes set out on pages 4 to 16 are in accordance with the Corporations Act 2001 and:

(i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(ii) Give a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of the performance for the half-year ended on that date of the consolidated entity.

(b) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Dianmin Chen
Managing Director
12 August 2013

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Independent review report to members of Norton Gold Fields Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Norton Gold Fields Limited, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year period.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and its performance for the half-year period ended on that date; and complying with Accounting Standard AASB 134 *Interim* Financial Reporting and the *Corporations Regulations 2001* . As the auditor of Norton Gold Fields Limited and the entities it controlled during the half-year period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Norton Gold Fields Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the half-year period ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Robert Kirkby
Partner
Perth
12 August 2013