

NORTON GOLD FIELDS LIMITED

Norton Gold Fields (ASX: NGF)

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December 2013 Quarterly Activities Report

Delivering Results

Paddington Operations	ANNUAL Jan - Dec 2013 Guidance	ANNUAL Jan - Dec 2013 Actual	3-MONTHS Oct - Dec 2013 Actual
Gold Production (oz)	163,000 - 167,000oz	172,739oz	42,616oz
C1 Cash Cost per Ounce	\$970 - \$1,010/oz	\$960/oz	\$883/oz

"We are very pleased to report a strong result for Q4 resulting in Norton exceeding our 2013 production guidance and achieving record gold production for 2013" stated Norton Gold Fields Limited Managing Director and Chief Executive Officer, Dr Dianmin Chen. "Driving the improvement has been increased mill feed grades from across our operations along with a strict cost control regime".

"We are particularly pleased with the achievements of our employees over the last year. Our ability to continue to safely deliver on our goals is dependent on the continued commitment and support of our employees."

"2013 was an environment of falling gold prices which saw many WA mid-tier gold mining companies become unprofitable. Norton's strong management group was successful in adapting our business to this threat and as a result Norton has become a disciplined and profitable gold mining company for its many stakeholders".

Over the past 12 months Norton set about to reduce costs and increase production while engendering a "can do" culture. Norton continues to actively pursue growth opportunities and is committed to reducing costs further in 2014.

HIGHLIGHTS

- Gold production of 42,616oz for December 2013 Quarter.
- Record YTD gold production of 172,739oz (compared to 151,000oz in 2012). Highest annual production since the acquisition of Paddington Operations in 2007.
- C1 cash costs of \$883/oz for December 2013 Quarter (\$960/oz YTD).
- Haulage of ore commenced from the Enterprise Mine, signifying the first delivery from the Paddington Operations new base load mine.
- Completed purchase of the Lady Bountiful tenement.

About Norton

Norton Gold Fields Limited (ASX:NGF) is an established mid-tier gold producer. In CY2013, Norton produced 172,739 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 715km². 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.

Safety & Environment

Norton continued to focus efforts into visible safety leadership resulting in no lost time injuries being recorded during the December 2013 quarter. An excellent outcome resulting in a reduction of the Company's Lost Time Injury Frequency Rate (LTIFR) from 7.2 in December 2012 to 4.4 in December 2013. Work remains to reach the Western Australian gold industry benchmark of 3.6.

The Paddington Operations Mines Rescue Team competed in the Chamber of Mines & Energy's Underground Mine Emergency Response Competition in November 2013. The team placed 2nd in the BA skills, 3rd for Best Team Captain (Dean Siddons) and 3rd overall. The strategy of turning over membership in the competition team continued with the aim of broadening the capabilities of the team as a whole. The team's consistency across all underground disciplines provides confidence in their ability to deal with any situation.

During the quarter, Norton signed a Memorandum of Understanding with the Department of Fire and Emergency Services to provide mutual support in planning and responding to emergency incidents within the vicinity of Norton operated facilities. This includes joint training and incident response activities.

There were no reportable environmental incidents during the quarter.

Continued innovations in energy efficiency were sought throughout the year with the 2013 Energy Efficiency Opportunities public report lodged during the quarter. A copy of the report is available on our website. Significant energy savings are being realised with the new owner operated mining fleet.



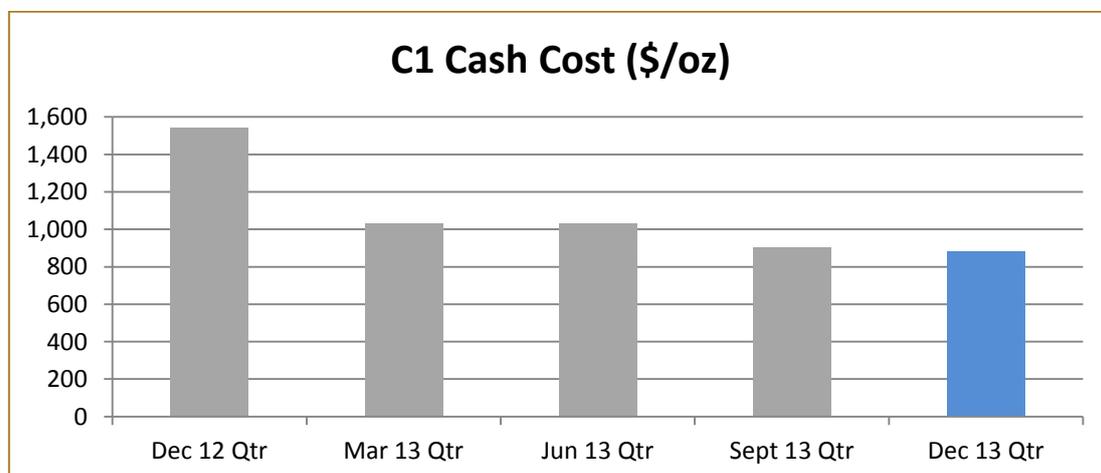
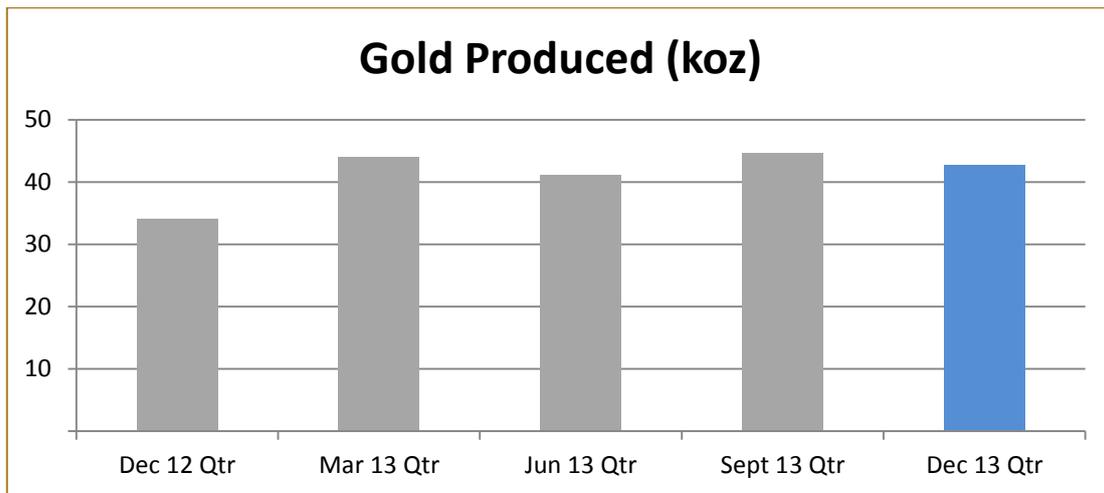
*Paddington Operations Mines Rescue Team
Photos courtesy of The Chamber of Minerals and Energy Inc*



Paddington Operations

Summary

- During the December 2013 Quarter 43,753oz of gold was shipped (42,616oz of gold produced).
- Gold shipped for the full year 2013 was 173,097oz (172,739oz of gold produced); 5,739 – 9,739oz (3 – 6%) above updated production guidance announced to the ASX on 25 July 2013. **This represents record gold production for Paddington Operations (since being acquired by Norton in 2007) and is a +14% uplift in production from the previous year.**
- During the December 2013 Quarter the Paddington Mill processed 864,905 tonnes of ore at a 1.60 g/t head grade with 93% recovery. YTD the Paddington Mill processed 3,473,577 tonnes of ore at a 1.65 g/t head grade with 94% recovery.
- The December 2013 Quarter C1[^] cash cost was \$883/oz. YTD C1[^] cash cost was \$960/oz. Strict cost control, increased production and significant capital investment in new equipment has seen costs reduce from a high of \$1,543/oz in December 2012 quarter.



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

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Capital expenditure for the December 2013 Quarter (excluding exploration) was \$1.939M, including \$900k for an underground loader, \$376k for the Enterprise haul road, \$345k for fixed plant equipment such as a davit arm and SAG discharge screen. Exploration costs for the quarter were \$2.2M.

Exploration drilling programs for the December 2013 Quarter comprised a total of 7,551 metres. Please refer to the December 2013 Exploration Update to be released later this month for more details.



*Part of the new owner mining fleet
(Cat 777D trucks) operating in Enterprise Mine*

Open Cut Mining

Mining continued in Enterprise, Golden Flag and Green Gums open cut mines. Mining of fresh high grade ore from Green Gums was fast tracked to optimise grade and blend feed for the mill in Q4.

Haulage of ore commenced from the Enterprise Mine in October 2013, signifying the first delivery from the Paddington Operations new base load mine.

Approval was received from the City of Kalgoorlie in response to Norton Gold Fields' application for de-gazettal of the Broad Arrow-Lady Bountiful, and Black Flag-Ora Banda Roads. The Department of Lands is progressing with the final stages of the de-gazetting process. This will allow for the use of 170 tonne (versus 100 tonne) road trains for ore haulage from the Enterprise open cut mine to the Paddington Mill resulting in significant savings in haulage costs, reduced truck movements and reduced carbon emissions.

Cost efficiencies continue to be realised with the utilisation of the EX3600 at Enterprise and no contract mining. Near record movement of bank cubic metres (bcm's) continues to have a beneficial effect, with cost per bank cubic metre reduced from \$8.02 in December 2012 to \$6.20 in December 2013.

Total ore tonnes mined during the quarter were 725 thousand tonnes (kt) with 3,543,310 tonnes mined full year 2013. \$/tonne ore mined have reduced from \$32.21 in December 2012 to \$26.12 in December 2013.

Open Cut	Dec 13 Qtr	Sept 13 Qtr	Jun 13 Qtr	Mar 13 Qtr	Dec 12 Qtr
Volume mined (kbcm)	2,975	3,795	3,188	2,678	2,317
Ore tonnes (kt)	690	711	813	1,093	577
Mine grade (g/t)	1.20	1.22	1.35	1.28	1.03

Homestead Underground Mining

Homestead's development improvement project continued to reap rewards with above budget development metres and ore tonnes mined.

With mine grade also exceeding budget, ounces gold produced for the December 2013 Quarter were 18,501 ounces. Full year 2013 ounces produced were 62,496 ounces, 20,679 ounces above budget.

Underground owner mining equipment has been commissioned and is expected to contribute to the overall reduction of operating costs.

Bullant Underground Mining

With a development and drilling plan generated, site set-up commenced during the quarter. Underground development and production is expected to re-commence in early 2014.

Underground	Dec 13 Qtr	Sept 13 Qtr	Jun 13 Qtr	Mar 13 Qtr	Dec 12 Qtr
Ore tonnes (kt)	70	53	53	46	44
Mine grade (g/t)	8.49	9.80	8.96	10.19	8.71
Ore development (metres)	1,258	1,009	795	483	561
Capital development (metres)	83	398	656	488	521

L-R Marc Larsen (Processing Technician) and Andrew Saltmarsh (Relief Gold Room Coordinator) at Paddington Operations



Processing

During the December 2013 Quarter the Paddington Mill processed 865 thousand tonnes (kt) of ore at a 1.65 g/t head grade with 93% recovery. For the full year 2013 the Paddington Mill processed 3.473 million tonnes (Mt) of ore at a 1.65 g/t head grade with 94% recovery.

High viscosity pulp resulting from high clay bearing ore blend resulted in slightly lower than planned mill throughput for the December 2013 quarter. A number of technological innovations are being trialled to reduce viscosity, along with altering the ore blend to improve throughput rates.

43,753 of gold was shipped during the December 2013 Quarter at an average gold price of \$1,498/oz. Gold shipped YTD was 173,097oz at an average gold price of \$1,496/oz.

Cost savings were realised in reagent use due to metallurgical projects implemented during the quarter.

Ore Processing		Dec 13 Qtr	Sept 13 Qtr	Jun 13 Qtr	Mar 13 Qtr	Dec 12 Qtr
Ore milled	(kt)	865	889	828	891	800
Feed grade	(g/t)	1.65	1.65	1.66	1.65	1.44
Recovery	(%)	93%	94%	94%	93%	93%
Gold production	(oz)	42,616	44,606	41,464	44,053	34,272
Average gold price	(A\$/oz)	1,498	1,518	1,402	1,560	1,641

Costs

The C1 cash cost for the December 2013 Quarter was \$883/oz, lower than previous quarters due to the continued effect of the commissioning of the owner mining fleet across the Paddington Operations, as well ongoing cost improvement initiatives.

The C1 cash cost YTD was \$960/oz (versus updated guidance announced to the ASX on 25 July 2013 of \$970 - 1,010/oz). C3 cash costs YTD were \$1,248/oz.

C2 and C3 costs were slightly higher than the previous quarter as a result of increased amortisation expense due to more tonnes milled than mined.

		Dec 13 Qtr	Sept 13 Qtr	Jun 13 Qtr	Mar 13 Qtr	Dec 12 Qtr
C1 cash cost	(A\$/oz)	883	900	1,029	1,033	1,377
C2 production cost	(A\$/oz)	1,145	1,130	1,217	1,303	1,733
C3 total cost	(A\$/oz)	1,188	1,184	1,275	1,347	1,784

[^]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.

Other Projects

Mount Morgan Mine

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

The Department of Natural Resources and Mines has renewed the Mt Morgan Phase 2 Agreement (2013) to 31 August 2025, in line with the Mining Licence.

Norton Gold Mine

Norton announced agreement had been reached for Mantle Mining Limited to acquire the Norton Gold Mine, located in the Boyne Valley, ~100 kilometres south west of Gladstone, Central Queensland, for a total consideration of \$300,000 cash at completion, less a 10% deposit upfront. Completion of the transaction is subject to a number of items including government approval of transfer of the Mining Licence.

Lady Bountiful Project

Norton completed the purchase of the Lady Bountiful tenement from Mr Neil Newman and the relinquishment of the Right to Explore and Mine with Swan Gold Mining Limited's wholly owned subsidiary Carnegie Gold Pty Ltd. The Lady Bountiful project is located immediately north of Norton's Mount Pleasant project area. Details of the Mineral Resource & Ore Reserve will be in the December 2013 Resource & Reserve statement to be released later in January 2014.

Corporate

At the end of December 2013 Quarter, Norton had \$41M cash and cash equivalents in bank.

Norton continued its support of the next generation of mining professionals, taking students in the fields of mine engineering, environmental, geology, geotechnical, survey, metallurgy and accounting, and providing them with exposure to a professional working environment and practical experience in their chosen disciplines.



L-R Nicky Thomas (Senior Safety Co-ordinator) and Tari Pawlyk (Graduate Environmental Advisor), checking SCBA (self-contained breathing apparatus) equipment

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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

General Counsel / Company
Secretary

Media Relations

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

ASX Listed Share Capital

931,850,665 million ordinary
shares

Presentation and Rounding

Unless stated otherwise, all
dollars shown are Australian
dollars.

YTD

YTD means 2013 calendar year
to date

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 2012 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 2012 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

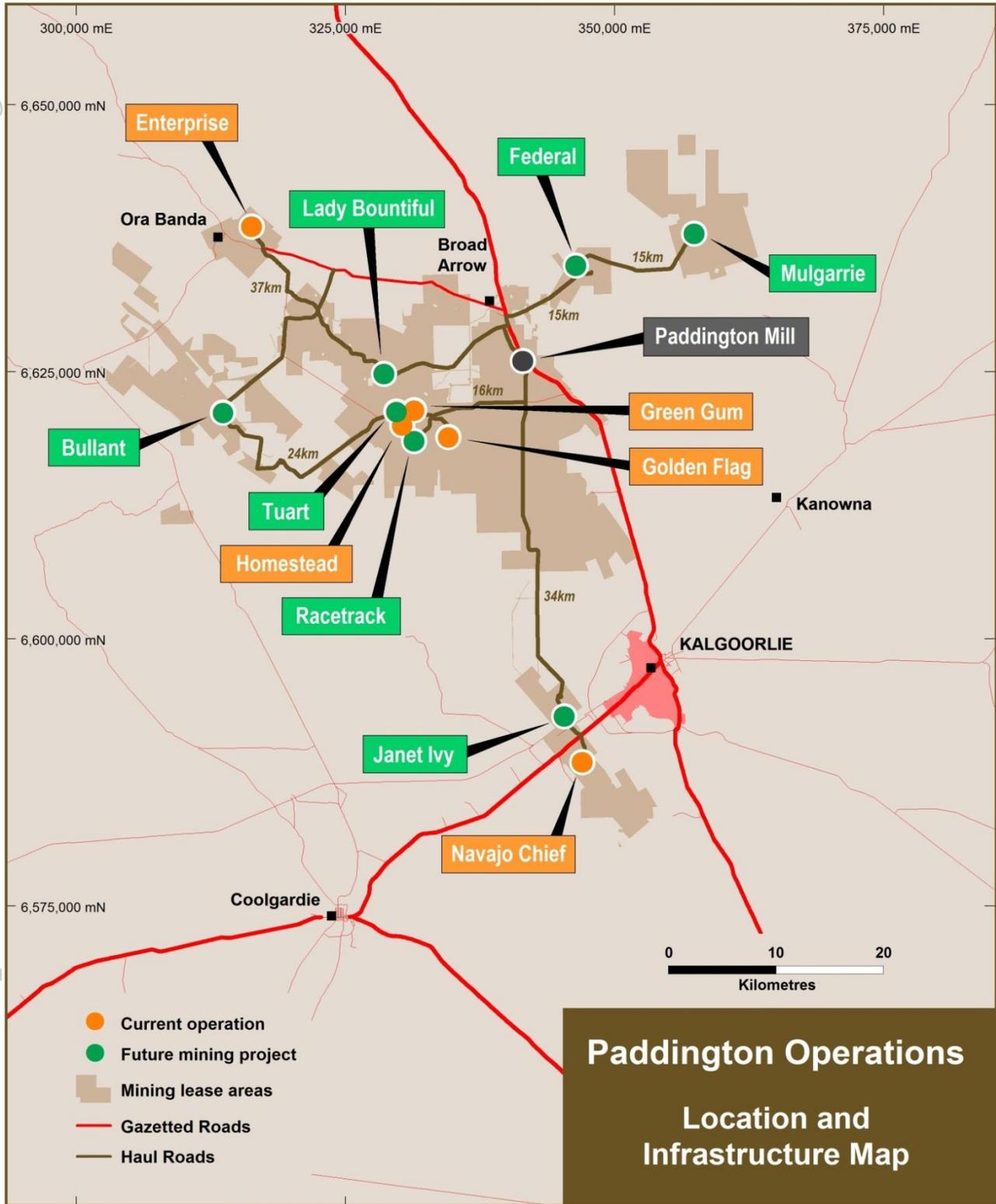
Link Market Services
Level 15, 324 Queen Street
Brisbane Qld 4000

Tel 1300 554 474 (within Australia)

Tel +61 1300 554 474 (overseas)

Please direct shareholding
enquiries to the share registry

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Paddington Operations location map: 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 Kalgoolie, the Paddington Mill operates 24 hours a day, 365 days a year. Most staff live in Kalgoolie, a major regional centre and excellent support hub for mining in the Goldfields.