

Norton Gold Fields (ASX: NGF)
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NORTON GOLD FIELDS
 LIMITED

September 2014 Quarterly Activities Report

| Paddington Operations | ANNUAL Jan - Dec 2014 Guidance | 9-MONTHS Jan - Sept 2014 Actual | 3-MONTHS Jul - Sept 2014 Actual |
|-------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
| Gold Production (oz) | 176,000 - 184,000oz | 127,871oz | 46,947oz |
| C1 Cash Cost per Ounce | \$870 - \$930/oz | \$929/oz | \$819/oz |

Norton Gold Fields CEO, Dr Dianmin Chen, stated “Improved productivity and cost reduction initiatives delivered record quarterly gold production along with significantly lower cash costs. The Paddington Mill continues to perform above expectations achieving record monthly processing of 338kt in September contributing to record gold production of 46,947oz for the quarter, at the lowest C1 cash cost since the December 2010 quarter. Despite a challenging start to the year, Norton maintains its 2014 production guidance”.

HIGHLIGHTS

- Record Gold production of 46,947oz for September 2014 Quarter
- C1* cash costs of \$819/oz for September 2014 Quarter
- Takeover offer for Bullabulling Gold Limited completed
- Gold forward sale program totalling 100,000 ounces at a weighted average price of \$1,420 per ounce deliverable by March 2016.

Safety & Environment

One lost time injury (LTI) was recorded in August 2014 when a mill operator suffered a back strain when closing feed valves at Paddington Operations.

A HSE improvement plan has been instigated to address the risk of incidences of Medical Treatment Injuries and Modified Work Injuries. This will include a systematic re-induction of employees and contractors.

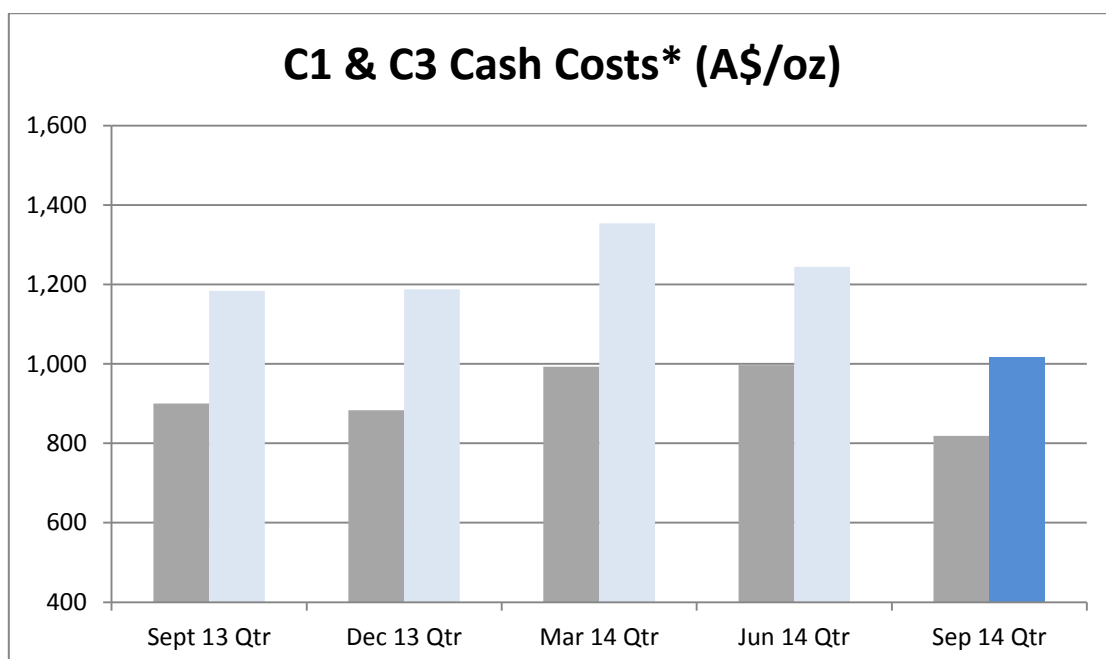
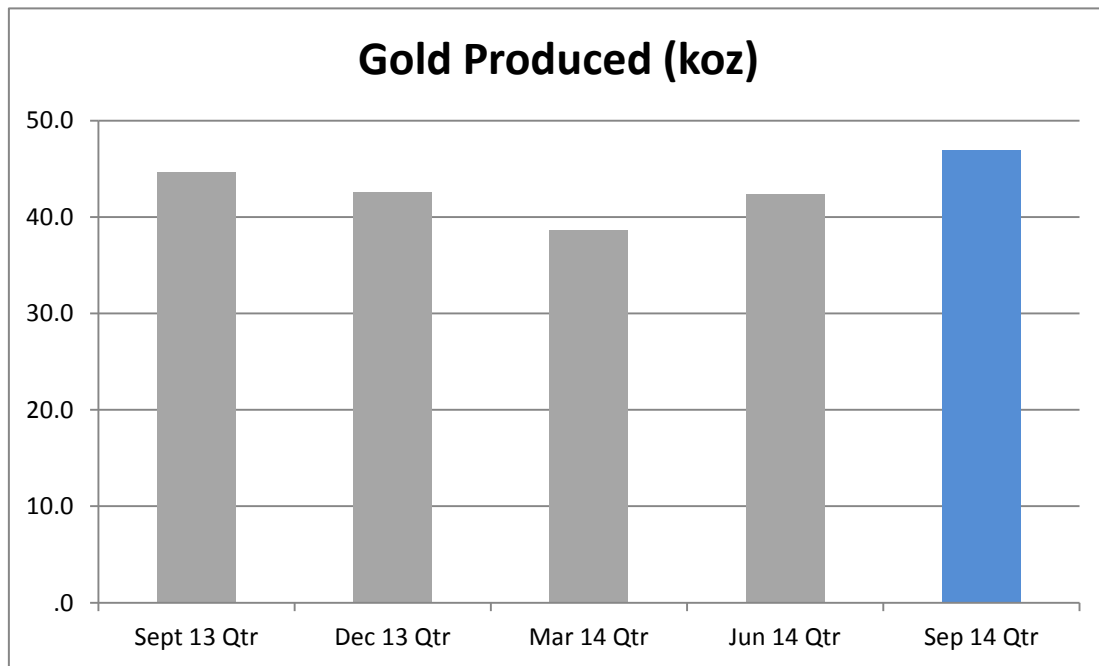
About Norton

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 710km². 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 Operations

Summary

- During the September 2014 Quarter 46,947oz of gold was produced (47,588oz of gold was shipped).
- During the September 2014 Quarter the Paddington Mill processed 976,119 tonnes of ore at a 1.71 g/t head grade with 88% recovery.
- The September 2014 Quarter C1* cash cost was \$819/oz.



* Refer to page 5 for a definition of C1 cash cost per ounce

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Capital expenditure for the September 2014 Quarter (excluding exploration) was \$1.6M, mainly attributable to HyperJet shear react trials and installation, development of Mt Pleasant haul road, and metallurgical test work.

Exploration costs for the quarter were \$3.4M. Please refer to the September 2014 Exploration Update to be released later this month for details on our exploration activities during the quarter.

Open Cut Mining

| Open Cut | Sept 14 Qtr | Jun 14 Qtr | Mar 14 Qtr | Dec 13 Qtr |
|----------------------------|--------------|------------|------------|------------|
| Volume mined (kbcm) | 2,808 | 2,864 | 2,288 | 2,975 |
| Ore tonnes (kt) | 559 | 701 | 1,300 | 690 |
| Mine grade (g/t) | 1.45 | 1.33 | 1.17 | 1.20 |

Mining continued at Enterprise Stages 1 and 2, with Stage 3 commencing during the quarter. Ore production was impacted due to restricted conditions in Stages 1 and 2 as the pit deepens.

Mining commenced at Wattlebird (adjacent to the Bullant underground mine) early in the quarter following the completion of a resource definition drill program last quarter. Wattlebird was acquired during the takeover of Kalgoorlie Mining Company in 2013 and shares infrastructure with Bullant.

Total ore mined during the quarter was 976,119 tonnes (compared to 933,422 tonnes Q2). Year to date \$/tonne of ore mined equates to \$24/tonne (compared to \$28/tonne Q2).

Haulage commenced with 170t road trains in late May. This had a positive impact and reduced haulage costs by approximately \$1/tonne.

Business improvement plans continue to be addressed with contract performance and production optimisation as the key focus in the open cut area.

Homestead & Bullant Underground Mining

Underground operations continued to improve throughout the quarter with tonnes and ounces mined above expectations.

As with other areas, business improvement is continuing focussed on increasing development metres and stope production.

| Underground | Sept 14 Qtr | Jun 14 Qtr | Mar 14 Qtr | Dec 13 Qtr |
|-------------------------------------|--------------|------------|------------|------------|
| Ore tonnes (kt) | 113 | 88 | 80 | 70 |
| Mine grade (g/t) | 5.86 | 5.76 | 5.21 | 8.49 |
| Ore development (metres) | 1,077 | 1,183 | 1,190 | 1,258 |
| Capital development (metres) | 657 | 520 | 92 | 83 |

Processing

During the September 2014 Quarter the Paddington Mill processed 976 thousand tonnes of ore at a 1.71g/t head grade with an 88% recovery. This included a monthly record milled tonnes of 338kt in August eclipsing previous record tonnage of 336kt in May 2014. Recovery was as expected given the increasing percentage treated and the partial refractory nature of Enterprise ore.

The Paddington Mill continues to perform above expectations. Unit cost per tonne milled fell substantially from the beginning of the quarter due to the high throughput combined with sustained effort on reducing reagent use and cost. Further cost saving metallurgical projects continue to be investigated and trialled.

47,588oz of gold was shipped during the September 2014 Quarter at an average gold price of \$1,431/oz.



| Ore Processing | | Sept 13 Qtr | Jun 14 Qtr | Mar 14 Qtr | Dec 13 Qtr |
|---------------------------|-----------------|---------------|------------|------------|------------|
| Ore milled | (kt) | 976 | 933 | 880 | 865 |
| Feed grade | (g/t) | 1.71 | 1.59 | 1.49 | 1.65 |
| Recovery | (%) | 88% | 89% | 91% | 93% |
| Gold production | (oz) | 46,947 | 42,323 | 38,600 | 42,616 |
| Average gold price | (A\$/oz) | 1,431 | 1,469 | 1,476 | 1,498 |

Costs

The C1* cash cost for the September 2014 Quarter was \$819/oz, significantly lower than previous quarterly results due to improved mined and milled grades, above forecast throughput and milled tonnes resulting in increased gold production and lower unit costs.

| | | Sept 14 Qtr | Jun 14 Qtr | Mar 14 Qtr | Dec 13 Qtr |
|---------------------------|-----------------|--------------|------------|------------|------------|
| C1 cash cost | (A\$/oz) | 819 | 997 | 993 | 883 |
| C2 production cost | (A\$/oz) | 970 | 1,179 | 1,296 | 1,145 |
| C3 total cost | (A\$/oz) | 1,016 | 1,244 | 1,342 | 1,188 |

- [^]C1 Cash cost represents the costs for mining, processing, administration, including accounting movements for stockpiles and gold-in-circuit. It does not include capital costs for exploration, mine development or processing mill capital works. It includes net proceeds from by-product credits. It does not include the 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 interest, other indirect costs and royalties. Total cost represents all costs attributable to gold production over the same period.

Other Projects

Bullabulling Gold Project

During the quarter Norton closed its off-market takeover offer for Bullabulling Gold Limited (ASX:BAB). Norton acquired a relevant interest in more than 90% of BAB shares and compulsory acquisition of the remaining shares commenced. Bullabulling shares were removed from the official list of the ASX and ceased trading on AIM on 9 October 2014.

Engineering and evaluation studies continued in support of the feasibility study into the establishment of a 7.5 million tonne per annum open pit mining operation at the Bullabulling Gold Project.

Resource Drilling Program

No drilling activity was undertaken in the quarter.

Work was completed on the selection of metallurgical samples from Q2 2014 diamond core drilling programme for the metallurgical testwork program.



10 diamond drill holes completed in Q2 2014 have provided the material and samples for the metallurgical and the geotechnical programmes for the feasibility study.

Mining Studies

Development of detailed mine schedule and waste haulage options, owner mining costing, and assessment of tails storage facility options has continued.

Review of the gold price being used for the feasibility study was conducted. Re-optimisation of the resource based on an A\$1,400 gold price in line with Norton's life-of-mine gold price for project development commenced. The optimisation will use the latest mining cost and study parameters developed as part of the feasibility study in the past 12 months.

The geotechnical study has progressed with key activities being completed :

- Analysis of laboratory testwork result
- Geotechnical domaining
- Shear strength assessment
- Identification of critical sections for geotechnical modelling
- Batter scale angle analysis on weathered materials

The report and recommended slope designs are expected to be completed by end 2014.

Metallurgical Testwork

The feasibility study metallurgical testwork programme has been formulated, and sample preparation has commenced at the Bureau Veritas Minerals laboratory. The metallurgical testwork programme is anticipated to take between 4 - 5 months to be completed.

Key areas being investigated and tested in the metallurgical testwork programme are:

- Comminution
- Master and variability composite
- Heap leach
- Nano filtration testwork (reagent consumption)

Mount Morgan Mine

In April 2014, Norton signed an agreement with Raging Bull Metals Pty Ltd (a wholly owned subsidiary of Carbine Resources Limited (ASX: CRB), pursuant to which Carbine may acquire the Mount Morgan Mine and Kundana CIP Plant (see ASX announcement dated 3 April 2014). Carbine has continued with testwork in its Phase 2 program to optimise the flow sheet and has commenced a Scoping Study for the process design. (See CRB announcement dated 15 July 2014) Carbine intends to undertake an additional drilling program of the tailings dumps and has submitted plans for approval.

Corporate



On 30 September the Company forward sold 25,000 ounces of gold for delivery by end of March 2015, at a flat forward price of \$1,403.472 per ounce. A further forward sales program was announced on 13 October for 75,000 ounces of gold for delivery by end of March 2016, at a flat forward price of \$1,425.500 per ounce. Taken together as at the date of announcement, the Company's forward sale program totals 100,000 ounces at a weighted average price of \$1,420 per ounce deliverable by March 2016.

At the end of September 2014 Quarter, Norton had \$17.5M cash and cash equivalents in bank.

Norton continues to work with the Gold Royalties Response Group (among others) in response to the WA government's review of royalties on mineral commodities.

Since the end of the September Quarter, Norton executed a Capital Contribution and Ore Treatment Agreement ("Agreement") with Excelsior Gold Limited (ASX:EXG) providing a long-term milling allocation at the Paddington Mill (please see ASX announcement dated 18 June 2014). The Agreement provides Excelsior with an allocation of 2.5 million (dry) tonnes over 5 years with an option to extend on a yearly basis for a further 5 years. Excelsior has committed to contributing to part of the capital expenditure required for a potential upgrade and refurbishment to a maximum of \$12.5million.

During the September 2014 Quarter, Norton continued to review and consider mining of the Mick Adams – Kiora and Wadi projects in accordance with its Option for Licence to Mine and Ore Sale Agreement with Phoenix Gold Ltd (ASX:PXG) (See *PXG announcement dated 21 February 2014 – Phoenix Delivers Studies to Norton Gold Fields in line with Staged Development Plan*).

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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

Mark Braghieri

General Manager Bullabulling
Project

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 2014 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. 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.

Guy Simpson, Elizabeth Jones and Peter Ruzicka 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 and Peter Ruzicka 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") and is based on, and fairly represents, information and supporting documents prepared by Troy Lowien, Resource Geologist, of consultants Coffey Mining Pty Ltd, 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 approved and consented to the resource report in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Paddington Reserve and Resource statement (gold) as at 31 December 2013

| | Reserve | Mt | g/t | Moz |
|----------|---------|------|------|------|
| Proven | | 1.32 | 1.49 | 0.06 |
| Probable | | 17.7 | 1.77 | 1.01 |
| Total | | 19.0 | 1.75 | 1.07 |

| | Resource | Mt | g/t | Moz |
|-----------|----------|-------|------|------|
| Measured | | 2.61 | 1.61 | 0.13 |
| Indicated | | 73.9 | 1.41 | 3.35 |
| Inferred | | 57.6 | 1.86 | 3.45 |
| Total | | 134.2 | 1.61 | 6.94 |

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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Brisbane Qld 4000

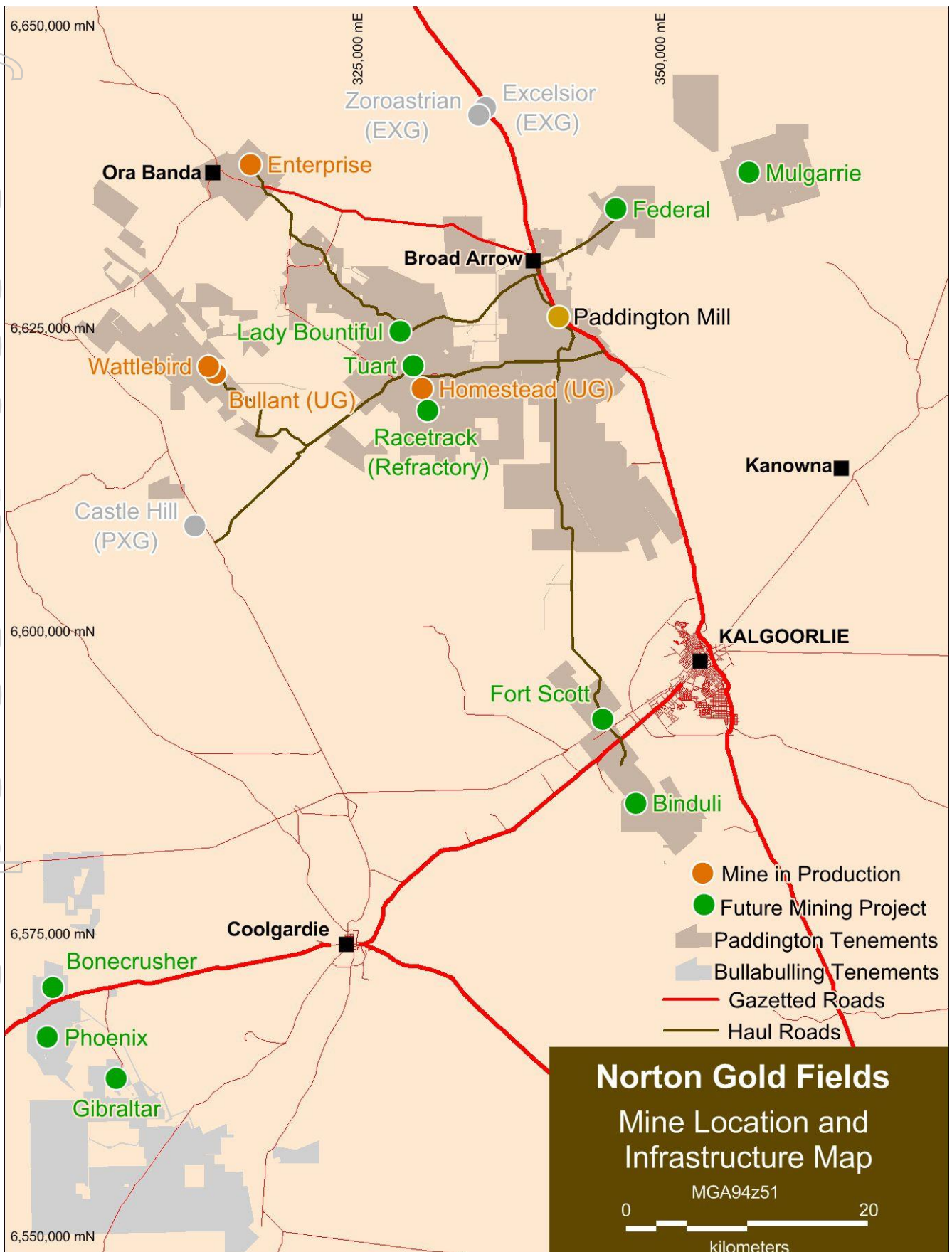
Tel 1300 554 474 (within Australia)

Tel +61 1300 554 474 (overseas)

Please direct shareholding
enquiries to the share registry

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Paddington & Bullabulling mine location and infrastructure map



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