



## ASX/MEDIA ANNOUNCEMENT

15 February 2011

### Coal transaction goes unconditional

**Norton Gold Fields Limited (ASX: NGF)** announced on 17 December 2010 that it entered into a binding Sale and Purchase Agreement ("SPA") with Boardwalk Sienna Pty Ltd, a subsidiary of Boardwalk Resources Pty Ltd ("Boardwalk"), for the sale of EPC 1033, comprising Norton's Sienna and Electra coal projects, for a total consideration of \$30 million.

The conditions precedent, including indicative approval from the Minister for the sale of EPC 1033 and consent from Lehman Brothers Commercial Corporation (Lehmans), have been received, resulting in the SPA now being unconditional. A \$500,000 deposit has already been paid and Tranche 1 (\$14,500,000) is now payable by Boardwalk Sienna Pty Ltd on 14th March 2010.

Of the \$14,500,000 to be received by Norton on 14th March, approximately \$13,000,000 will be immediately applied against the Senior Secured Note (Note) held by Lehmans. After the payment to Lehmans, the outstanding debt on the Note will be approximately \$85,000,000.

Norton's Chief Financial Officer, Rob Brainsbury said: "This is another great outcome for the company. Not only has Norton been able to extract significant value from a non-core asset which we believe was not at all reflected in Norton's share price, but paying down the debt is an efficient use of Norton's surplus cash."

#### Further information

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## About Norton

Norton Gold Fields Limited is a mid-tier, ASX-listed, unhedged gold producer.

In FY2010, Norton produced approximately 140,000 oz of gold from its open cut and underground operations at Paddington, near Kalgoorlie in Western Australia. The Company is forecasting production in FY2011 between 155,000 oz and 160,000 oz of gold. The Paddington operations include a 3.0 Mt pa processing facility.

Norton has recently added two new mining operations, the Homestead underground mine and the Navajo Chief open cut, to supply ore to its processing facility.

The Company holds extensive granted mining and exploration leases in the pre-eminent Kalgoorlie goldfields, with a landholding of 1,050 km<sup>2</sup>. The Paddington operations have a current Mineral Resource of 5.8M oz, of which some 1.2M oz is classified as Reserves, for a mine life in excess of ten years.

The Company continues to assess development options for its Mount Morgan Mine Project in Queensland. The project has all the requisite regulatory approvals and subject to suitable funding being arranged, can be in operation within 12 months producing between 30,000 to 35,000 oz pa.

Norton's growth will come from optimising existing operations and acquiring, developing and operating assets.

For more information, please visit our website: [www.nortongoldfields.com.au](http://www.nortongoldfields.com.au)

