



## ASX/MEDIA ANNOUNCEMENT

17 December 2010

### Sienna and Electra Coal Projects Sold to Boardwalk Resources for \$30m

**Norton Gold Fields Limited (ASX: NGF)** ("Norton") is pleased to advise that it has today entered into a binding Sale and Purchase Agreement ("SPA") with Boardwalk Sienna Pty Ltd, a subsidiary of Boardwalk Resources Pty Ltd ("Boardwalk"), an investment vehicle of coal magnate Nathan Tinkler, for the sale of EPC 1033, including Norton's Sienna and Electra coal projects, and associated assets for a total consideration of \$30m.

Payments to Norton will be structured as follows:

On signing	17th December	\$500,000
Tranche 1	The later of 10 business days after the satisfaction of conditions precedent or 14th March 2011	\$14,500,000
Tranche 2	22nd February 2012	\$5,000,000
Tranche 3	2nd Anniversary of Tranche 1	\$10,000,000
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		\$30,000,000

The Agreement is conditional on receipt of indicative Ministerial approval to the sale of EPC1033, and the parties will be applying for this immediately.

Norton and Boardwalk have also agreed that in the event that Boardwalk lodges an Application for Mining Lease over any part of the EPC 1033 tenement, that all outstanding monies (be that Tranche 2 and / or Tranche 3) will become immediately due and payable.

Norton's Managing Director, Andre Labuschagne said: "This is a great outcome for Norton and its shareholders in the sale of a non-core asset."

"Once the transaction completes the Company will have the opportunity to further reduce debt."

HopwoodGanim acted as legal counsel, and Lincoln Crowne & Company acted as Financial Advisor to Norton Gold Fields in relation to the divestment of EPC 1033.

#### 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 Paddington operations include a 3.0 Mt pa processing facility and Norton continues to toll treat ore, over and above the company's own ore, to optimise the capacity of this 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 granted mining and exploration leases in the Kalgoorlie region in excess of 1100 km<sup>2</sup> and has Resources of around 5.5M oz, of which over 1.2M oz are also classified as Reserves. The current mine life is in excess of 10 years. Kalgoorlie is the pre-eminent gold region in Australia.

The company continues to assess development options for the 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.

The company'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)

