



ASX/MEDIA ANNOUNCEMENT

18 April 2011

Norton's Debt with Lehman to be Refinanced - \$A80M Note secured with Merrill Lynch on more flexible terms

Key Points

- **Right of First Refusal to buy back Lehman Note exercised on 15 April 2011**
- **Debt with Lehman purchased on attractive terms**
 - **In line with stated strategy to reduce debt**
- **\$80M financing Note with provider of choice Merrill Lynch**
 - **Increased flexibility on early repayment**
 - **Improved debt covenants**

Norton Gold Fields (ASX:NGF), is pleased to announce it has exercised its right of first refusal (ROFR) to commit to purchase the Lehman Brothers Commercial Corporation's (Lehman) Senior Secured Note (Lehman Note) on favourable terms. The purchase of the Lehman Note will be financed through a more flexible A\$80 million Note provided by Norton's provider of choice, Merrill Lynch (ML Note).

Managing Director Andre Labuschagne said Norton negotiated the ROFR with Lehman at the time of settling the hedge and converting it into the Note in July 2010.

"The Merrill Lynch Note provides the opportunity for accelerated debt reduction at the appropriate time on better terms, and will present management with greater opportunities to grow the business," Mr Labuschagne said.

"This is a positive outcome for Norton and is consistent with our stated intention to continue to reduce our debt. We have purchased the Lehman Note on attractive terms and have refinanced the balance on more favourable terms with Merrill Lynch. The \$80 million Merrill Lynch Note will allow Norton to finance the purchase of the Lehman Note plus accrued interest owing to Lehman on terms that are beneficial to Norton's financial position."

Purchase of the Lehman Note is scheduled to occur within 60 days of exercising the ROFR. The issue of the ML Note is subject to completion of final documentation with Merrill Lynch.

Key Terms of the new ML Note

- Three and a half year term with a cash rate coupon of 11% payable six monthly in arrears and 4% payable in kind (PIK)
- Prepayments of principal totalling not more than \$30 million may be made without penalty at any time before September 2011. Premium for early repayment(s) declines over the term of the ML Note, on terms more favourable than the Lehman Note
- A pricing step-up of 3% and 1% will apply respectively to the cash rate coupon and PIK if the \$30 million voluntary prepayment is not made by September 2011, together with a deferment fee
- A subscription fee, equivalent to 5% of the issue amount, is payable to Merrill Lynch at the time of the issue. The subscription fee is payable either in cash or through the issue of ordinary shares in Norton at the prevailing 30 day VWAP immediately prior to the issue
- Amortisation and Mandatory Prepayment terms are similar to those in the Lehman Note

ENDS

Further information

Robert Brainsbury
Chief Financial Officer
Norton Gold Fields Limited
+61 (0)7 3846 9200

rbrainsbury@nortongoldfields.com.au

Warrick Hazeldine / Annette Ellis
Purple Communications
61 (0) 8 6314 6300 / +61 (0) 417 944 616
/ +61 (0) 458 200 039

whazeldine@purplecom.com.au

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 km². 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

