QUARTERLY REPORT: JUNE 2010

About Norton

Norton Gold Fields Limited is a major ASX-listed gold producer.

In 2009, Norton produced 135,000 oz of gold from its open cut operations at Paddington near Kalgoorlie in Western Australia. Gold production is projected to increase with the development of the Homestead underground mine now underway. The current expected mine life is in excess of 10 years.

Development of the Mount Morgan Mine Project in Queensland would add a further 30,000 to 35,000 oz to the Company's annual gold production. The phasing of this project, which can be producing within twelve months, is currently being reviewed.

Norton Gold Fields Limited

(ASX: **NGF**)

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Mark Wheatley
Chairman

Mark McCauley
Director & Chief Executive Officer

André Labuschagne
Chief Financial Officer
& Deputy Chief Executive Officer

Terry Moylan
Paddington General Manager

KEY POINTS

Paddington Gold Mine

- **High gold production of 42,475 oz; average gold price A$1,393/oz**
- **Cash operating cost of $1,016/oz**
- **Full year production of 140,436 oz exceeds forecast**
- **Havana open pit completed in June**
- **One Lost Time Injury sustained**

Corporate

- **$68.5M cash at bank plus $18.8M in cash-backed security deposits**
- **Appointment of an additional non-executive director Ms Anne Bi**
- **Retirement of Chairman A. Anthony McLellan**

Safety and Environment

One Lost Time Injury (LTI) occurred at Paddington during the Quarter, when a mill operator sustained a calf muscle strain making the 12 month LTI frequency rate 9.5 against an industry average of 2. Five Serious Potential Injuries (SPIs) occurred.

Norton continues to focus on safety programs across its sites as part of the Company's ongoing commitment to achieve the targets of zero SPIs and better than industry standard LTI frequency rate.

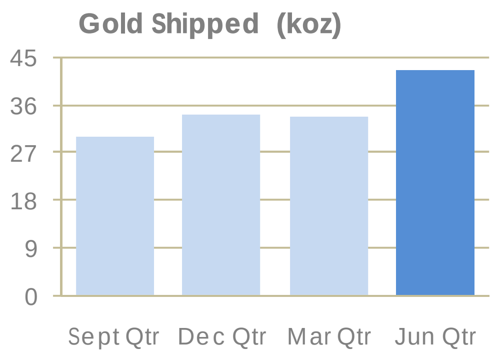
Norton remained fully compliant with all of its environmental obligations during the period under review. The Company has an active environmental management program and progressively rehabilitates its mining areas.

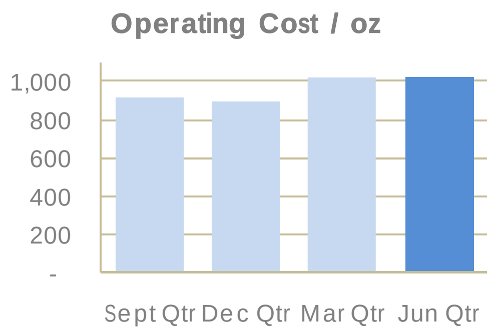
Paddington Gold Mine

Summary

Gold production for the Quarter was 42,475 oz at an operating cash cost of $1,016 per oz. This was 0.8% improvement compared to the previous period.

The average gold price received in the Quarter was $1,393 per oz.





This strong quarterly performance can be attributed to:

1. High milled tonnes from good utilisation and high throughput rate;
2. Homestead making a material contribution with 36 kt at 5.64 g/t;
3. A parcel of ore of 16kt @ 11.19 g/t purchased from a third party, providing approximately 5,600 oz, and;

Paddington produced a record quantity of gold for the Quarter and slightly exceeded the planned FY2010 full year target of 140,000 oz.

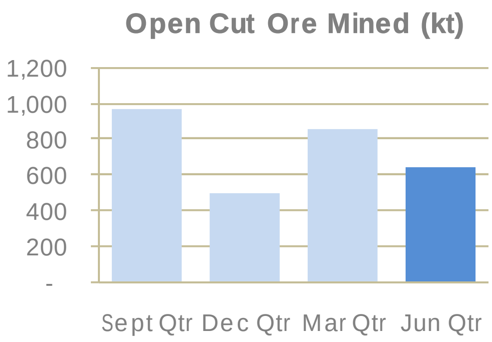
Background: *Paddington has conventional open-cut and underground mining operations and a carbon-in-leach (CIL) processing operation with capacity to process over three million tonnes of ore annually.*

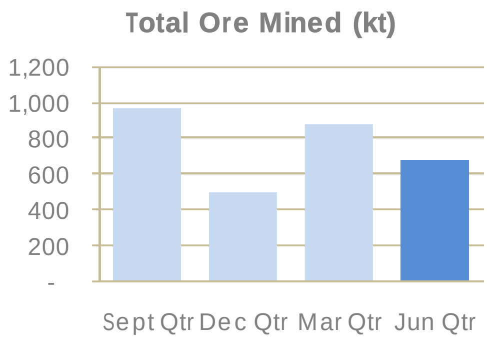
Located 30 kilometres north of Kalgoorlie, the Paddington mill operates 24 hours a day, 365 days a year. Kalgoorlie is a major regional centre and the hub for mining in the central goldfields providing excellent support to the project. Most staff reside in Kalgoorlie.

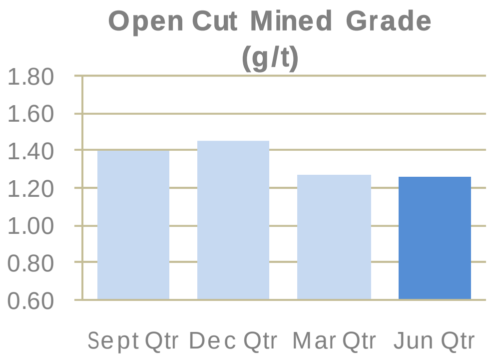
Open cut mining

During the Quarter mining continued at Havana and Waldons with waste removal at Navajo Chief. Total ore of 645.7.0 kt grading 1.26 g/t was mined and 2.50 million bank cubic metres (Mbcm) of total material was moved. Tonnes and grade were both down on the previous Quarter by 24.8% and 0.8% respectively, due to completion of mining at Havana. Total volume of material moved was up 69.3%. These movements are directly related to the pre-strip activities at Navajo Chief.

The coming Quarter sees open cut ore scheduled to be mined from Navajo Chief and Waldons.



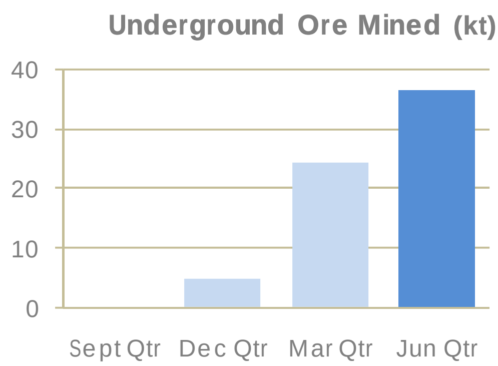


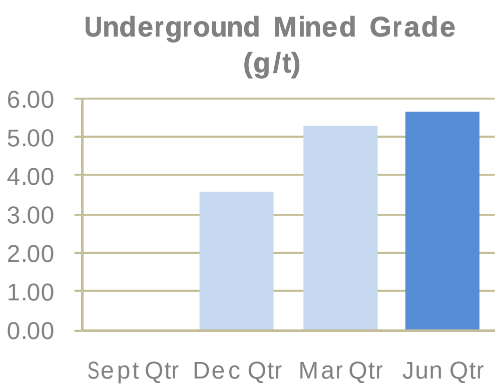


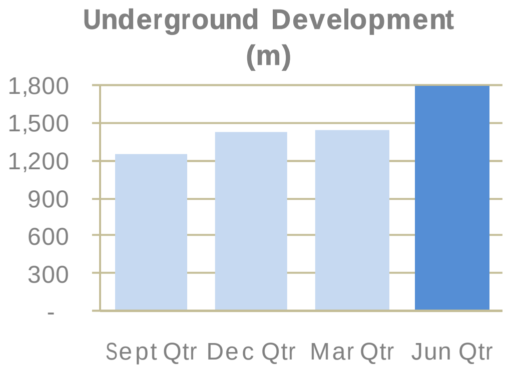
Underground Mining

Homestead

Underground development at Homestead for the Quarter was 1,789 meters and development ore tonnes were 36.3 kt at a grade of 5.64 g/t. This was an improvement over the previous Quarters performance by 49.8% and 6.2% respectively.



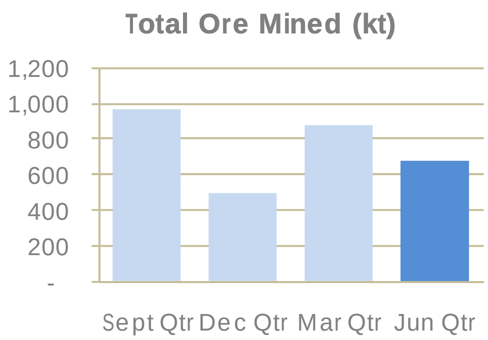


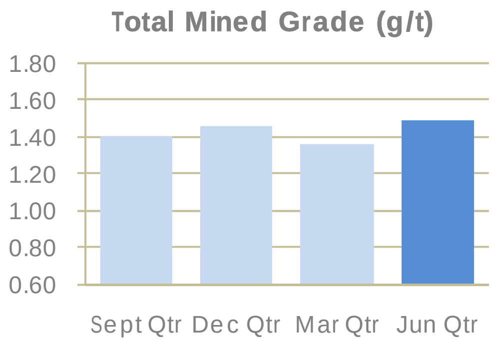


Background: *The Homestead underground mine is part of the Mount Pleasant Gold Camp 18 km south-west of the Paddington mill and 28 km north-east of Kalgoorlie. It is the first underground development for the Company and is aimed at substantially increasing production at Paddington.*

The Mount Pleasant Gold Camp includes Marlock, Tuart and Green Gum projects that are within 500 metres of the decline. These additional projects can be serviced from Homestead facilities and have the potential to provide additional high grade feed to the mill.

The graphs below show combined open cut and underground mining performance with a total of 682.0 kt of ore mined at 1.49 g/t. Tonnes were down by 22.8% and grade was up by 5.7% over the previous Quarter.





Processing

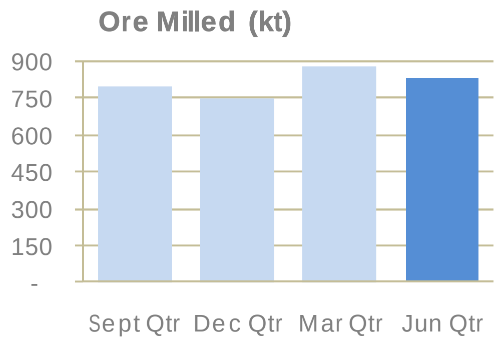
During the Quarter, 832,700 tonnes of ore grading 1.71 g/t was processed to pour 42,475 oz of gold for a 94.2% recovery.

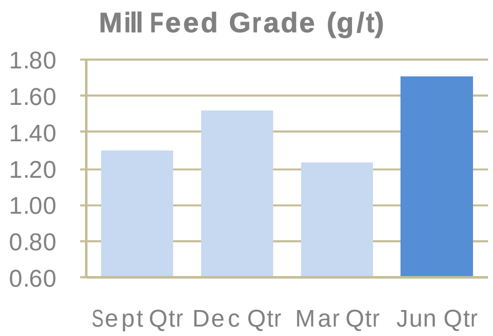
Ore sources milled in the Quarter are shown in Table 1 below:

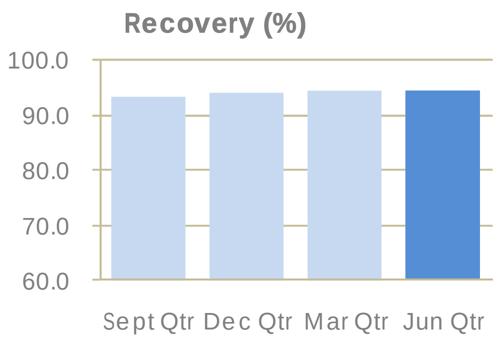
Ore source	Tonnes	% Feed	Grade (g/t)
Mined ore	720,600	87	1.55
Stockpiles	96,100	11	1.35
Purchased ore	16,000	2	11.19
Total mill feed	**832,700**	**100**	**1.71**

Table 1: Ore sources milled

Milled tonnage was strong due to a high throughput rate resulting from a softer ore blend. Mill feed grade was up for the Quarter with high grade purchased ore being processed and good grades coming from both stockpiles and the mine.







Aggressively pursuing purchased ore on terms mutually attractive to both Paddington and the Seller is part of Paddington's strategic plan moving forward. It maximises the utility of the Company's centrally located processing facility and should be of benefit to all miners and prospectors in the district.

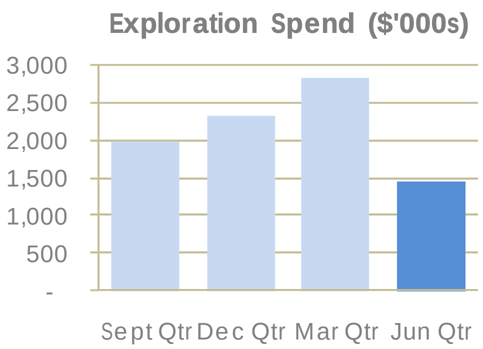
The ore purchased in the Quarter was at a rate per ounce higher than internal sources, however generated significantly more cash per tonne through the mill.

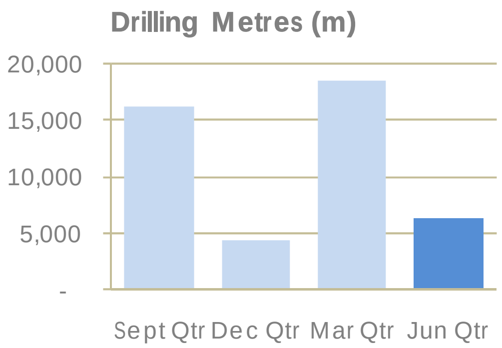
Exploration

A total of 6,309 metres of drilling was undertaken in 93 drill holes at;

- Homestead Underground - targeting resource evaluation of the Phantom EW Vein and VN03,
- Waldons targeting primary resource validation; and,
- Ora Banda to test anomalous geochemical trends.

Exploration expenditure for the Quarter was $1.46M. The reduced exploration spend for the Quarter is directly related with less drilling activity, as efforts focused on resource evaluation of the previous Quarters drilling results.





Other work programs have included resource modelling updates for the Navajo Chief, Janet Ivy, Lady Bountiful Extended and Porphyry deposits, and at Homestead VN03.

Exploration work for the Quarter is summarised in Table 2 below.

Project	Activity	Project description
Navajo Chief	Resource evaluation	Resource modelling
Janet Ivy	Resource evaluation	Resource modelling
Homestead – Phantom EW Vein & VN03	13 drill holes for 1,914m of underground diamond coring and 1 surface RC pre-collar for 102m	Resource evaluation of Phantom EW Vein and VN03. Resource modelling of VN03.
Waldon	28 RC drill holes for 1,332m	Resource validation of Waldon primary mineralised zone
Ora Banda	52 Aircore drill holes for 2,961m	Evaluation of anomalous geochemical trends
Lady Bountiful Extended	Resource evaluation	Project review & resource modelling
Porphyry	Resource evaluation	Resource modelling

Table 2: Summary of Exploration Work Programs

An updated resources and reserves statement will be issued as a separate announcement in the near future.

"Paddington's extensive mineral endowment covers an area in excess of 1,250 square kilometres with more than 130 identified mineral deposits, more than 78 of which have been subjected to recent exploration programs. Of these, 25 contribute to the current Reserve/Resource statement and are located within 40 kilometres of the Paddington plant."

Enterprise Project

The Enterprise project contains an Indicated and Inferred Mineral resource of 15Mt at 2.1 g/t and is located 35km north-west of the Paddington mill. Significant work has been undertaken by Snowdens to determine how best to exploit this project including the preliminary design and costing of a sub level cave mining operation.

This work indicates that the Enterprise ore body is highly prospective for a 650 kt pa sublevel cave operation averaging around 2.8 g/t over an 8 year mine life. The ore body remains open at depth.

To ensure a high level of confidence is gained in the likely cave behaviour of the orebody additional geotechnical work is now scheduled to be undertaken over the next few months with an independent expert, highly experienced in this particular area, working on this aspect of the Project feasibility study. It is now likely that the final appraisal of this Project will be completed by the end of the December Quarter. Given that commencement of the Project development was not anticipated before the end of the year this delay will not have material consequences.

This project could be producing within 18 months and make a significant contribution to increasing gold output and lowering overall costs at the Paddington operations.

Sienna and Electra Coal Projects (EPC 1033)

No drilling was planned or completed during the Quarter. On 18 March, the Company released an Information Memorandum covering the Group's coal projects. The Company remains active in considering how to best position these assets, and has engaged Lincoln Crowne to assist with the strategic assessment and management of this project.

Mount Morgan Mine Project

Norton continues to actively explore potential funding options through joint venture arrangements and other ownership options. The Company remains active in considering how to best position this projects, and has engaged InterFinancial to assist with the strategic assessment and management of this project.

Norton has plans to build a 1 Mtpa plant to produce 30,000 to 35,000 oz pa of gold from tailings over 12 years. This two-stage project is expected to ultimately produce 200,000 tpa of pyrite and 1,000 tpa of copper in concentrate as well as the gold. Full production is expected within 12 months of project go-ahead.

Corporate

Cash and funding position

At the end of June, Norton had $68.5M cash at bank with a further $18.8M held in cash-backed environmental bonds. Debt at the end of June comprised $38M of Convertible Notes (CNs) maturing in August 2011.

Changes to Norton's management team

On 4 June, A. Anthony McLellan resigned as Chairman and Director of the Company. Mark Wheatley was appointed as acting Chairman pending a permanent appointment.

On 25 May, the board appointed Ms Anne Bi as non-executive director.

Convertible Notes

The CNs are held by Lehman Brothers Commercial Corporation Asia (LBCCA) ($28M) and two Norton shareholders ($5M each). LBCCA is in administration and being managed by KPMG Asia. Administration is not expected to affect the operation of the CNs.

The notes were included in securitisation arrangements put in place by Lehman entities.

Informed market

Norton continues to meet its obligations in respect of ensuring an informed market. On 19 July, the Company announced agreement to settle hedge litigation with Lehman Brothers Commercial Corporation. For further information refer to details contained within this announcement.

Corporate Directory

Board & Senior Management

Mark Wheatley
Chairman
Mark McCauley
Director & CEO
André Labuschagne
CFO & Deputy CEO
Tim Prowse
Non-executive Director
Tim Sun
Non-executive Director
David Franklin
Non-executive Director
Anne Bi
Non-executive Director
Terry Moylan
GM Paddington

Company Secretary

Leni Stanley
André Labuschagne

Media Relations

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

Share Capital

625.8 million ordinary shares

8.3 million listed options

28.6 million unlisted options.

Convertible Notes

380 convertible notes issued at $100,000 each maturing August 2011 and convertible to shares at 25 cents.

See Explanatory Memorandum of 23 July 2007.

Quarterly Share Price Activity

2008	High	Low	Last
March	$0.670	$0.355	$0.365
June	$0.400	$0.210	$0.255
September	$0.360	$0.120	$0.170
December	$0.210	$0.060	$0.090
2009			
March	$0.170	$0.090	$0.140
June	$0.260	$0.140	$0.200
September	$0.280	$0.190	$0.250
December	$0.385	$0.225	$0.285
2010			
March	$0.320	$0.170	$0.220
June	$0.230	$0.170	$0.170

Competent Persons' Statement

The information in this report that relates to Paddington Mineral Resources is based on information compiled by Andrew Bewsher and Peter Ruzicka. The information in this report that relates to Mineral Reserves is compiled by Ian Paynter. In some instances material relating to historical resource models material is reported, these models have been reviewed and validated by Peter Ruzicka.

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. Peter Ruzicka and Ian Paynter are members of the Australian Institute of Mining and Metallurgy and full-time employees of Norton Gold Fields Limited.

Messrs. Bewsher, Ruzicka and Paynter 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 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Andrew Bewsher, Peter Ruzicka and Ian Paynter all consent to the inclusion in this report of matters based on their information in the form and context in which it appears.

The information in this report that relates to the 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") by Troy Lowien, Resource Geologist, of consultants Coffey Mining Pty Ltd, who is a Member of The Australasian 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.

The estimates of Coal Resources for the Sienna Coal Project presented in this report have been carried out in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), 2004, prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists and Minerals Council of Australia, December 2004. The Information in this report that relates to Sienna coal Resources, is based on information reviewed by Mr Harry Seitlinger, who is a Member of The AusIMM and is a full time employee of NSW Geology. Mr Harry Seitlinger has sufficient experience which is relevant to the style and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code. Mr Harry Seitlinger consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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Please direct shareholding enquiries to the share registry.

Paddington Reserve and Resource statement (gold) as at 30 June 2009

Reserve	Mt	g/t	Moz
Proven	-	-	-
Probable	20.74	1.86	1.24
Total	20.74	1.86	1.24
Resource			
Measured	0.24	1.30	0.01
Indicated	54.94	1.88	3.32
Inferred	44.82	1.94	2.80
Total	100.00	1.91	6.13

Mount Morgan Resource statement (gold) as at 30 June 2009

	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

Sienna Resource statement (coal) as at 30 June 2009

	Cumulative Ply Thickness (m)	Mt
North	8.77	29.05
South	10.09	27.97
Total Inferred	9.42	57.02