



ASX/MEDIA ANNOUNCEMENT

20 August 2010

## Unaudited FY2010 Financial Results

Norton Goldfields Limited wishes to advise that it expects to report a downgraded profit result for the 2010 financial year compared with the previous corresponding period as follows:

- **Gross Profit of \$21M Vs \$37M previous year**
- **Net loss after tax of (\$33M) Vs (\$17M) previous year**

Gross profit is down primarily due to lower open pit gold grades and increased material moved causing mining costs to escalate. Gross profit accounts for all operating costs along with changes in inventories, depreciation and amortisation.

Key drivers contributing to the downgraded Net loss after tax include:

- Asset impairment \$13M
- Fair value hedge negative adjustment \$33M
- Hedge reserve amortisation \$11M

The FY2010 financial statements are unlikely to reflect the hedge settlement agreement as announced by the Company on 19 July 2010 as this agreement remains subject to final documentation and approval. Notwithstanding this, the hedge settlement agreement is unlikely to affect the financial statements in a material manner going forward as the discounted hedge valuation in the 30 June 2010 financial statements should be similar to the valuation of the hedge settlement agreement.

## Cash

As at 30 June 2010, the Company was holding approximately \$68M in cash. In addition, the Company had \$18M on deposit, securing environmental bonds.

## Audited financial statements

More detail will be disclosed in the upcoming release of the Appendix 4E and the Company's final audited statements. Any material variation from this announcement will be highlighted with those releases.

## For further information

Mark McCauley

Chief Executive Officer

Norton Gold Fields Limited

+61 (0) 7 3846 9200

[mmccauley@nortongoldfields.com.au](mailto:mmccauley@nortongoldfields.com.au)

Warrick Hazeldine

Purple Communications

+61 (0) 417 944 616 / +61 (0) 6314 6300

[whazeldine@purplecom.com.au](mailto:whazeldine@purplecom.com.au)