

ASX/MEDIA ANNOUNCEMENT

27 April 2010

## Homestead Underground Update

### KEY POINTS

- **Positive drilling results underpin Homestead's potential to increase gold production and reduce costs at Paddington operations**
- **Increased confidence supports return to planned development levels**
- **Stoping to start in July 2010**
- **East West structure (Phantom EW) showing good potential**
- **VN01 resource confidence improved**
- **Further drilling underway**

Major Australian gold producer, Norton Gold Fields (ASX: NGF) is pleased to announce that its Homestead underground development will return to planned levels following positive results from current exploration drilling programmes.

Results from drilling at the VN01 and Phantom EW deposits have confirmed the potential to recover all or most of the previously downgraded (JORC) Ore Reserve for Homestead.

Chief Executive, Mark McCauley said the current programs have provided sufficient confidence to ramp-up development at Homestead underground.

"Stoping is due to start in July 2010," Mr McCauley said.

"Work completed to date indicates the (Homestead underground) project will make a good contribution to increasing gold production and reducing operating costs at Paddington for at least the coming financial year."

On 25 January 2010 Norton issued a statement advising that the planned development rate of Homestead underground would be scaled back pending additional diamond drilling to improve confidence in the VN01 primary orebody, prove up the interpreted existence of mineralisation outside the VN01 shear zone (previously included in resources) and to delineate the true extent of the Phantom (EW) structure. It was estimated that due to this slowdown, commencement of stope production would be deferred by four to six months.

In the interim, 1,436 m of development has been completed and, 24kt of development ore has been mined at an average grade of 5.31 g/t. In addition a program of 59 holes for 5,504m of diamond drilling has been completed on the Phantom (EW) and VN03 orebodies.

Exploration drilling programs at Homestead targeted mineralised veins adjacent to the main ore zone (VN01), including the Phantom (EW) Vein and VN03. These exploration drilling programs are being conducted in conjunction with a grade control program on VN01.

Figure 1 shows the development plan with the work completed to date on the main incline and decline, diamond drill locations, level accesses and stope drivages. Four levels have now been accessed in VN01 with a fifth close to being developed and two levels have been accessed in the Phantom (EW) with intersection of a third level expected shortly.

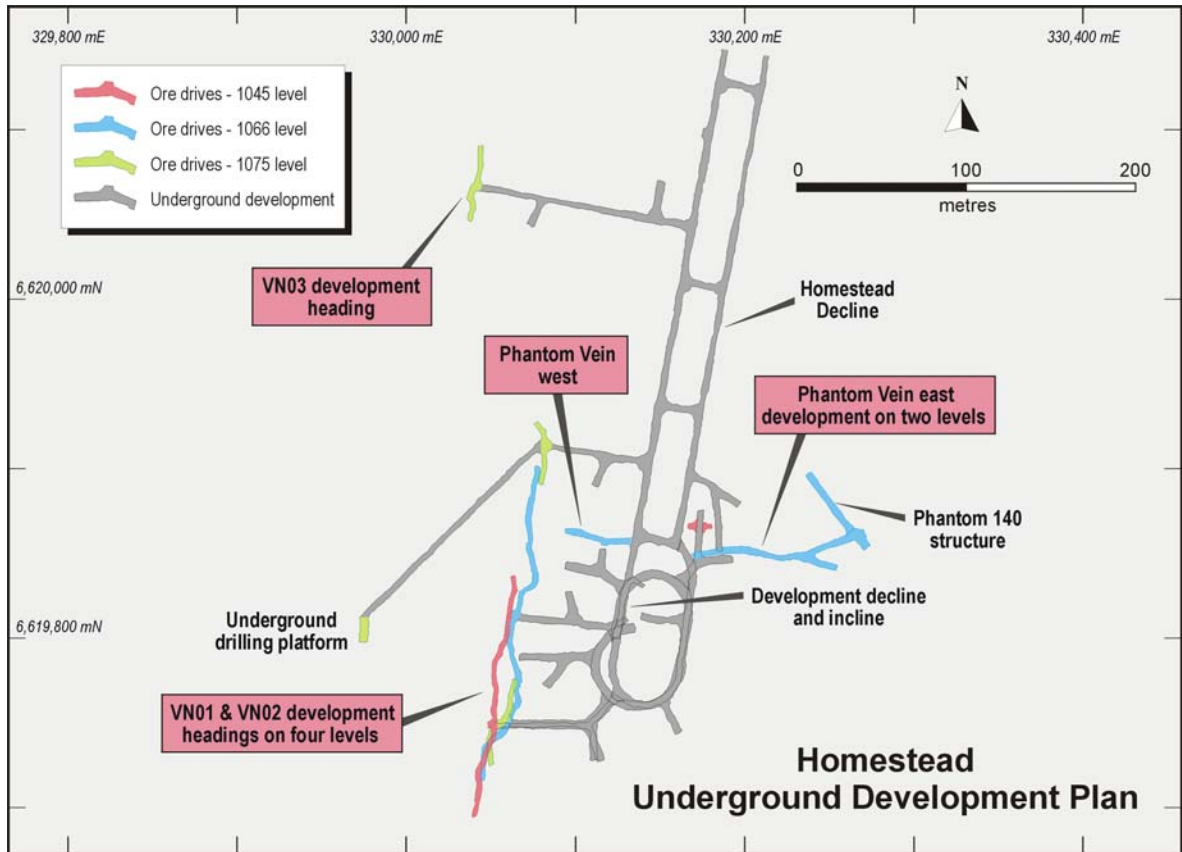


Figure 1

Figure 2 shows a development plan on the 1075/2 access intersecting VN01 with face samples indicating grades and widths of the orebody in this area. 2,475 tonnes of ore at 11.81 g/t was mined from this section.

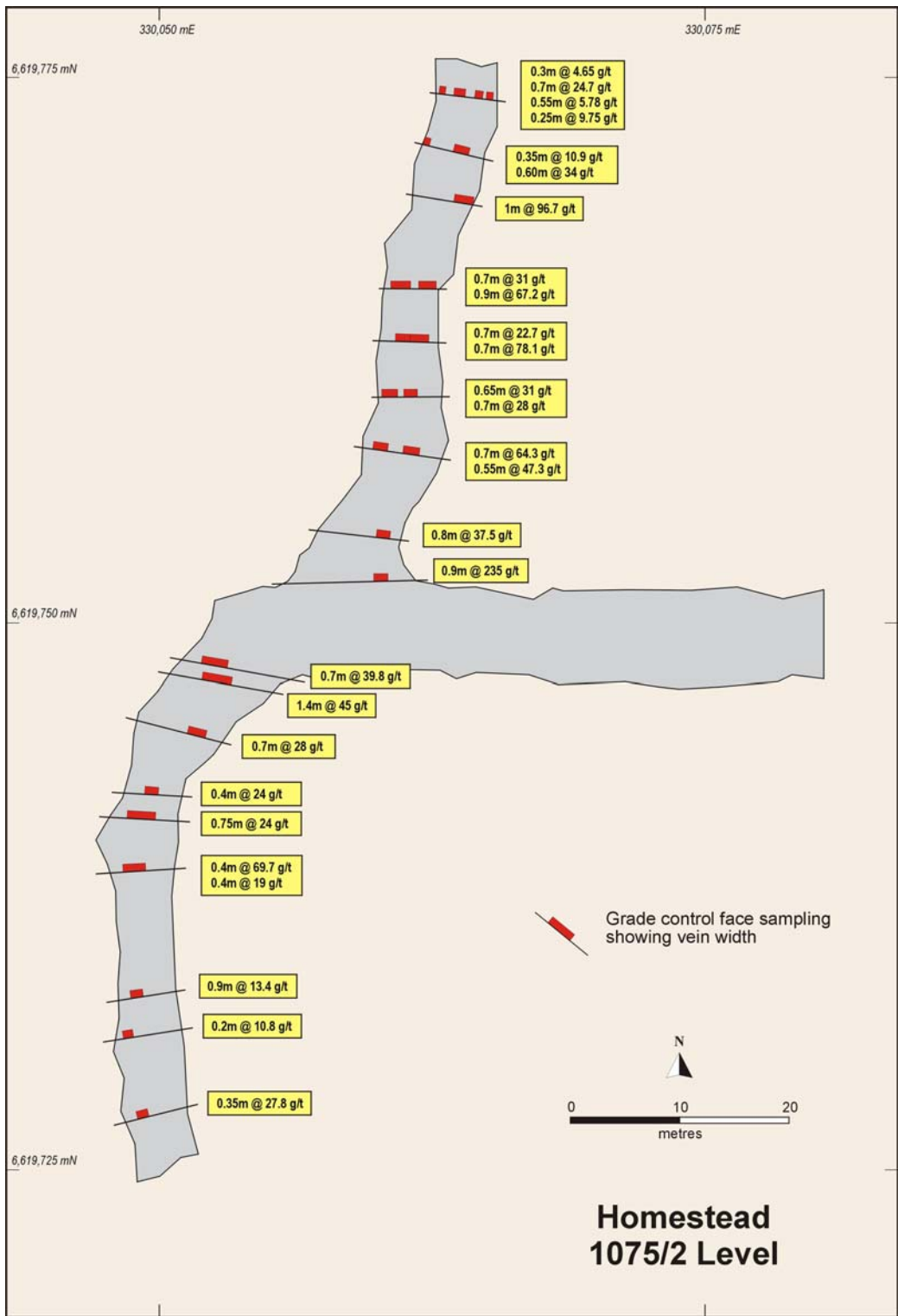


Figure 2

Figure 3 shows a long section of VN01 and a schematic cross section of the Phantom (EW).

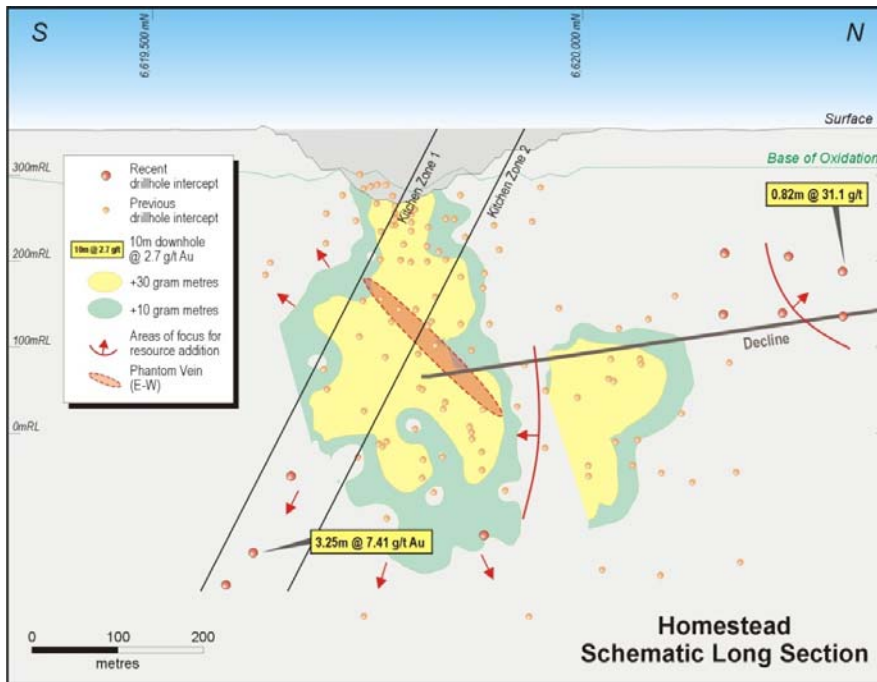


Figure 3

Ground conditions in the VN01 are likely to be worse than anticipated with management of excess dilution a key focus. The feasibility study was based on a probable ore reserve of 428,000 tonnes grading 7.4 g/t for 102,000oz. Further drilling of VN01 is still required to quantify the resource downgrade flagged by the press release in January.

Figure 4 shows a cross section of VN01 and a schematic long section of the Phantom (EW) orebody with some of the drilling results achieved in the recent drilling program.

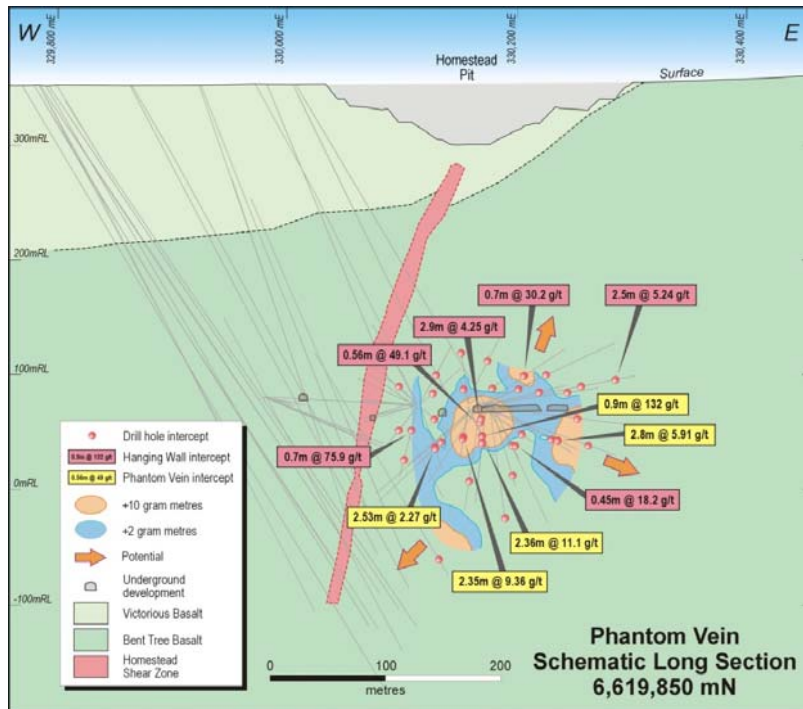


Figure 4

Drilling results from the Phantom EW Vein indicate good potential to develop additional resources outside of the main ore zone as well as potential for footwall and hanging wall vein mineralisation relative to the main Phantom Vein, and for other mineralised vein orientations.

All Phantom (EW) results are appended in Table 1.

The Phantom EW Vein was previously undetected prior to Homestead development, primarily due to an orientation perpendicular to drilling direction for the main ore zone which trends north-south. High grade mineralisation remains open and untested in a number of positions away from the known extent of the Phantom Vein and further drilling is being planned.

An Indicated and Inferred Mineral Resource estimate for the Phantom EW Vein has been defined from drilling to date, and is supported by face sampling data from underground development along the vein. The resource model covers a strike extent of approximately 200m (the full length of development on the 1066 level) and a vertical dip extent of up to 100m. Some areas of mineralisation within the model remain unclassified at this early stage. Estimation has been conducted using Inverse Distance Weighting. Results of the estimate are shown below in Table 3.

Category	Tonnes	Grade	Ounces
Indicated	10,049	16.5	5,324
Inferred	18,288	6.94	4,081
Total	28,337	10.3	9,405

Table 3: Phantom EW Vein – Resource Estimate

Ground conditions in the Phantom (EW) are excellent with the higher grade lending itself to both longhole and handheld mining methods.

Further updates will be provided as the current programs progress.

### Further information

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## **Competent Persons Statement**

The information in this report that relates to Mineral Resources and Reserves is based on information compiled by Martin Zgrajewski and Peter Ruzicka. Peter Ruzicka is a member of the Australian Institute of Mining and Metallurgy. Martin Zgrajewski and Peter Ruzicka are full-time employees of Norton Gold Fields Limited.

Messrs. Zgrajewski and Ruzicka 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'. Martin Zgrajewski and Peter Ruzicka consent to the inclusion in this report of matters based on their information in the form and context in which it appears.

Table 1: Homestead, Phantom EW Vein – Underground Diamond Core Drilling Results

Hole_ID	Easting	Northing	RL	Dip	Azi	From (m)	To (m)	DH Width (m)	Grade g/t Au
HUD028	330252	6620047	75	30	161	96.3	97.5	1.20	5.01
HUD030	330252	6620047	72	-20	155.5	30.65	31.1	0.45	7.80
						38.3	38.7	0.40	3.02
HUD031	330252	6620047	72	-55	149	25.4	26	0.60	4.81
						42.37	44.9	2.53	2.27
HUD033	330249	6620047	74	30	195.6	56	57	1.00	5.50
HUD034	330249	6620047	72	-25	200	23.1	23.5	0.40	12.80
						47.65	48	0.35	11.20
						63.4	63.85	0.45	22.20
HUD035	330249	6620047	72	-64	211	22	22.7	0.70	75.90
HUD040	330307	6619970	74	33	66	46.66	47.36	0.70	30.20
HUD041	330307	6619970	73	12	62	56.3	57.6	1.30	5.86
HUD042	330307	6619970	72	-18	50	91.25	94.05	2.80	5.91
HUD044	330307	6619970	74	25	76	113.25	113.65	0.40	6.75
HUD046	330307	6619970	72	-17	59	109.55	110	0.45	18.20
HUD048	330307	6619970	73	11	74	123	125.5	2.50	5.24
						130.5	131	0.50	6.68
HUD049	330307	6619970	72	-6	65.5	89.5	92.4	2.90	4.25
						121.2	121.76	0.56	49.10
HUD053	330294	6619971	72	-25	12	59.7	60.6	0.90	132.00
HUD054	330294	6619971	76	64	341	14.85	15.85	1.00	3.93
HUD055	330294	6619972	74	24	351	33.05	33.35	0.30	5.30
HUD057	330295	6619971	72	-26	354	57.7	60.05	2.35	9.36
						64.5	65.5	1.00	3.41
HUD059	330313	6620089	77	-48	125	58.5	59.2	0.70	5.10
HUD061	330313	6620088	77	-31	162	23.15	23.45	0.30	8.31
						27.25	29.1	1.85	2.71
						73.25	73.81	0.56	13.70
HUD064	330309	6620050	71	-54	188	36.76	39.12	2.36	11.05
HUD068	330305	6620089	78	-51	233	80.3	80.83	0.53	9.00

Analysis by 50g fire assay  
 Results compiled using a 3g/t Au cut-off grade, no top-cut grade  
 Maximum of 2m of internal dilution included