



## ASX/MEDIA ANNOUNCEMENT

2 July 2008

### Drilling indicates potential for large open cut PCI mine ... an accelerated program to confirm this is underway

#### Key points

- w Phase 1 exploration drilling results and an internal scoping study have identified a potential target of 35-40 Mt of low volatile PCI coal from open cut operations.
- w A 7,000 metre Phase II drilling program is now proceeding with the aim of upgrading the project to a JORC standard resource.
- w SMG consulting has been commissioned to prepare an independent scoping study.
- w An application for a Mineral Development Licence is being submitted for that part of EPC1033 covering the PCI potential area (Middlemount South Coal Project).
- w The Board has extensive development and mining experience in coal.

Norton Gold Fields Limited ((Norton) (ASX code: NGF) has completed an eleven-hole drilling program on its 100 per cent owned Norton Coal Project located in the Bowen Basin near the town of Middlemount, Central Queensland. The 1,572 metre program on EPC1033 targeted potential open cut PCI grade coal in near-surface Rangal Coal Measures that sub-crop in the south-eastern section.

Eight of the holes intersected targeted seams in the Rangal Coal Measures at shallow depths of 22m to 137m. Drilling intersected the Leichhardt Seam and the Vermont Upper Seam at thicknesses of 2.2 – 5.6 metre and 0.6 – 2.7 metres respectively, as detailed in Table 1 below. Overall, the depth and thicknesses indicate the potential for an open cut mining operation.

An in-house scoping study indicates significant potential for Norton's Middlemount South Coal Project.

Whilst it is too early for JORC resources or reserves to be delineated, a target open cut deposit of around 35 - 40 million tonnes has been identified. One core analysed indicates an attractive washed product similar to the ultra low volatile PCI coals produced at nearby Yarrabee, Foxleigh and Copperbella that are in strong demand by the world steel industry.

The Company has an accelerated program over the next six months to delineate the in situ coal as a JORC standard resource. A 60-hole, 7,000 metre Phase II drilling program has been commissioned, focussing on the sub-crop zone of the Rangal Coal Measures (containing the Leichhardt and Vermont Upper Seams) on a pattern of 250 x 500 metres. Each hole will be geophysically logged and sampled for coal quality analysis.

In addition, SMG Consultants has been commissioned to prepare an independent scoping study on the PCI potential of Norton's Middlemount South Coal Project. SMG Consultants are leaders in the fields of geological and mine planning consulting, specialising in open cut and underground minerals and open cut coal extraction.

Further, an application has been initiated to upgrade a portion of EPC1033, covering Norton's Middlemount South Coal Project, to a Mineral Development Licence (MDL).

The balance of EPC1033 has potential for a high quality coking coal deposit. Two holes were drilled on the western boundary of the EPC seeking to intersect the German Creek Formation coking coal seams at a depth greater than 350 metres. The targets here are similar to those mined at the nearby Norwich Park Mine. Both these holes were abandoned; one due to drilling issues and it is planned to deepen this hole at a later date.

The general location of the Norton's Middlemount Coal Project and target exploration zone in the Rangal Coal Measures within the tenement are shown in Figure 1. Figure 2 shows the location of Norton's drill holes.

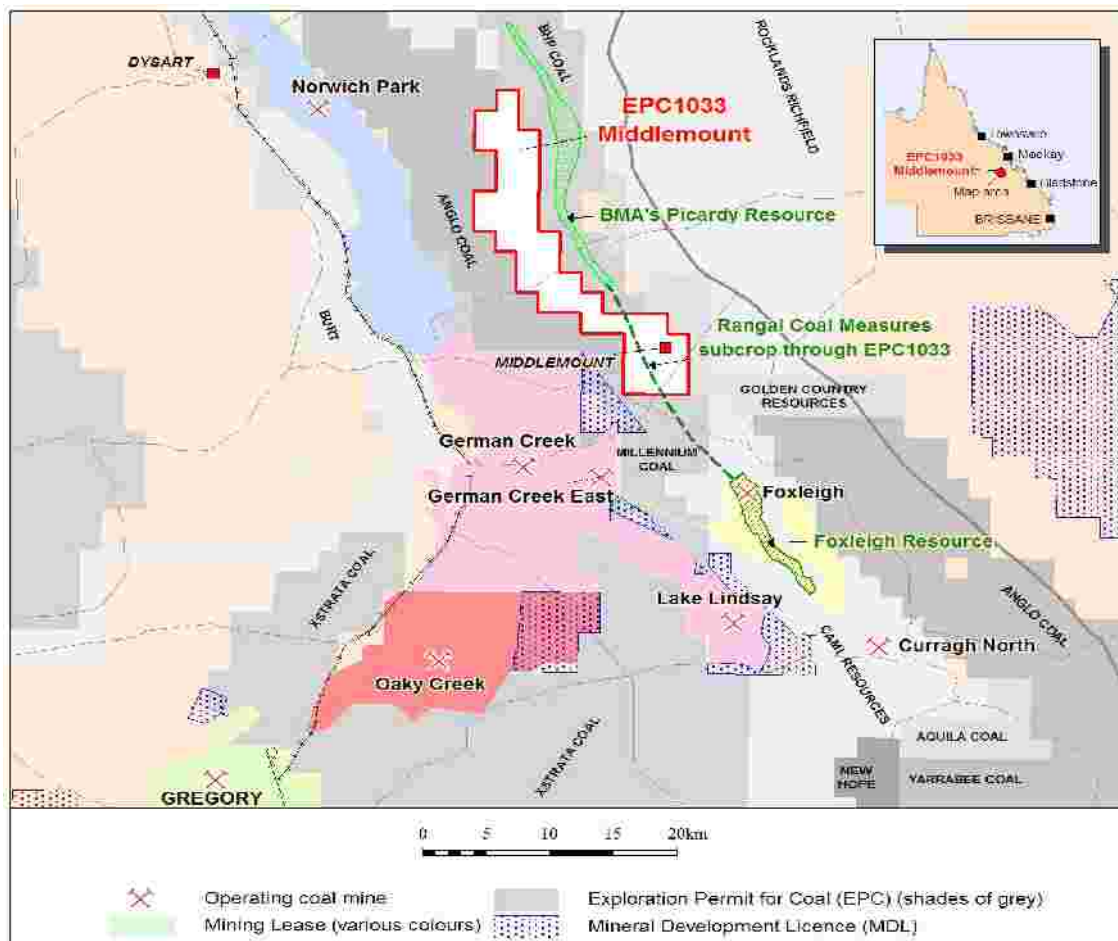


Figure 1 - Location of Norton's Middlemount Coal Project

Hole ID	mE MgaZ55 Gda94	mN MgaZ55 Gda94	Elev. (m)	Total Depth (m)	Incl.	Base of Leichhardt (LHD) (m)	LHD Thickness (m)	Base of Vermont Upper (VER) (m)	VER Thickness (m)
MM001	673965	7472874	168	153	-90	89.1	4.3	114.4	2.7
MM002	673564	7472879	165	153	-90	24.4	2.2	74.6	0.6
MM003	673875	7473660	172	30	-90	Not reached		Not reached	
MM004	673196	7473518	169	153	-90	31.5	4.5	70.0	0.7
MM007	671809	7478929	174	65	-90	56.0	4.1	Not reached	
MM008	671250	7478900	174	159	-90	57.5	3.5	110.3	0.8
MM009	671805	7478933	174	69	-90	55.3	3.9	Not reached	
MM010	672013	7478986	174	145	-90	95.0	4.0	136.7	2.4
MM011	670675	7478299	174	249	-90	63.3	5.6	94.4	0.9

Table 1 - 2007 and 2008 drill holes in the south-eastern section of EPC1033

Chairman, Mr Anthony McLellan said, "Norton's Middlemount Coal Project potentially adds significant value to the Company. The project is strategically located, surrounded by a number of major producers.

The extraordinary strength of the coal sector and positive results from the recent drilling and scoping study, have encouraged us to now accelerate our program to prove up the project's potential. The board's experience in developing and operating coal projects in Queensland leaves us comfortable about our ability to create a new open cut PCI coal mine at Norton's Middlemount Coal Project."

### About Norton Gold Fields

Norton Gold Fields Limited is Australia's fourth largest ASX-listed Australian gold producer. It also has active gold, copper, and coal exploration projects.

Norton recently made an all-share offer to acquire Bellamel Mining Limited which, if accepted, will add 1.68 Moz of gold to the Paddington Resources, and further extend the life of the Paddington Mine. Bellamel also has the potential to develop a 40-50,000 oz per year gold heap leach operation. Additionally, the Bellamel properties are highly prospective for underground development.

Further strategic acquisitions of new resource projects are planned in order to build a major diversified mining group.

The Company operates the Paddington Gold Mine near Kalgoorlie in Western Australia and is planning to develop the Mount Morgan Gold Project in Queensland. Paddington has a 4.8M oz resource and a 3 Mtpa CIP plant capable of producing more than 150,000 oz of gold per year. With the planned addition of underground operations in FY2010, production is expected to lift to 250,000 oz per year.

Norton plans to augment this with up to 50,000 oz of gold annually from a tailings re-treatment operation at Mount Morgan.

### For further information

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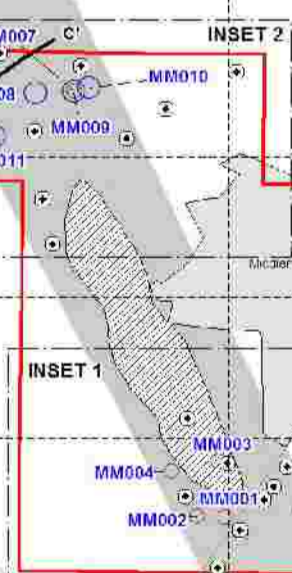
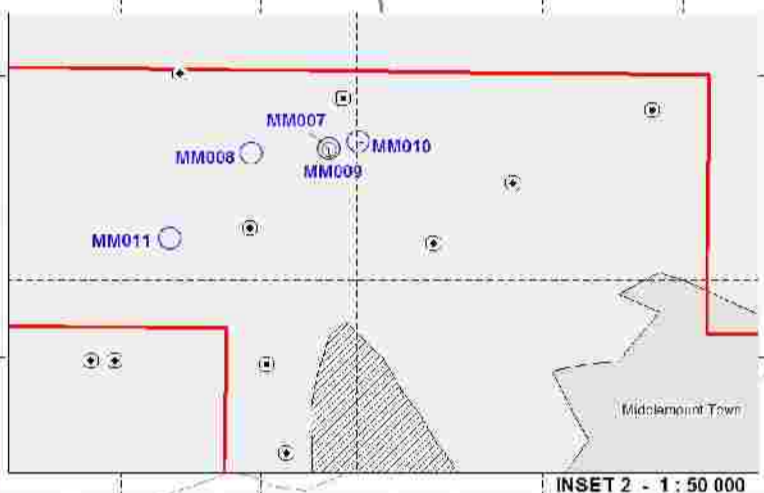
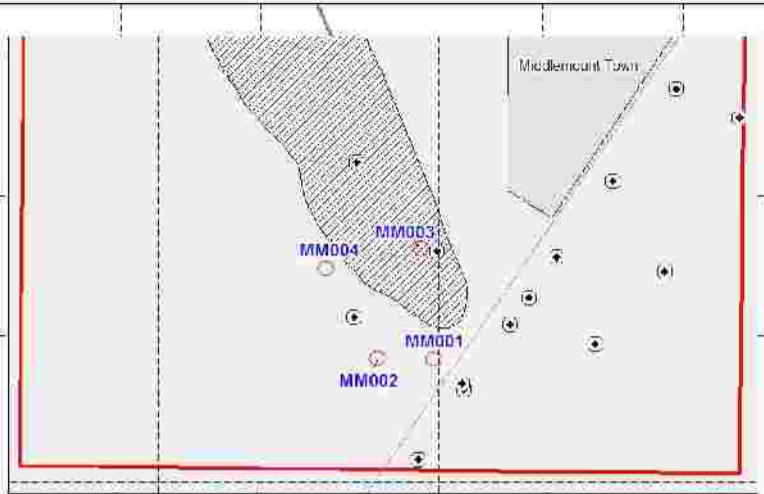
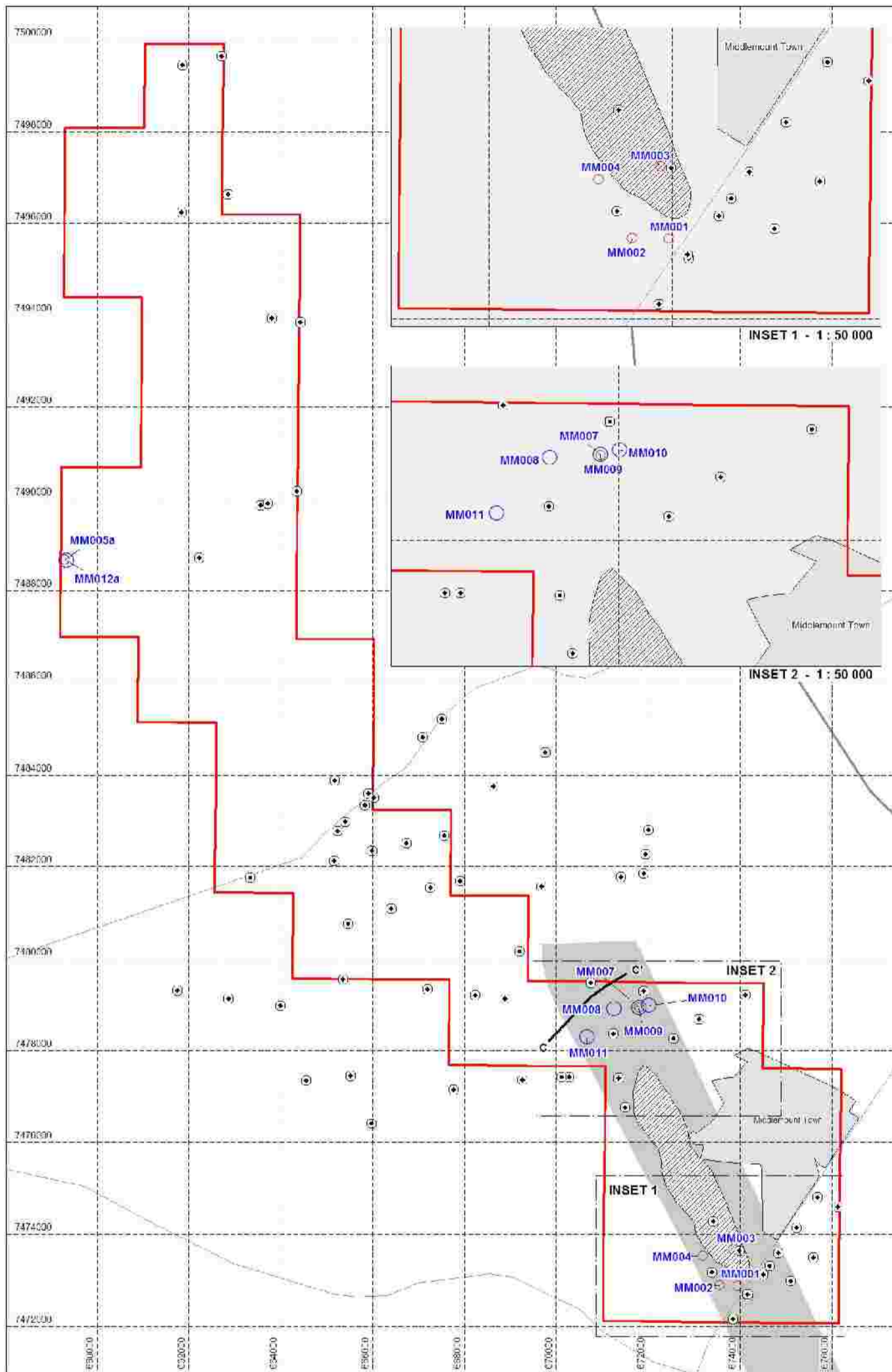
### Competent Person Statement

The Mineral Resource statement, with the exception of the Mt Pleasant Mineral Resource estimate, has been compiled by Mr Ian Copeland who is a Member of the Australasian Institute of Mining and Metallurgy, and qualifies as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ian Copeland is a full time staff member of Norton Goldfields and consents to the inclusion in the release of the matters based on the information in the form and context in which it appears.


The Mt Pleasant Mineral Resource estimate, with the exception of the Homestead Mineral Resource estimate, has been compiled with the consent of Mr David Williams, who is a Member of the Australasian Institute of Mining and Metallurgy, and qualifies as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr David Williams is a full time staff member of CSA Australia Pty Ltd and consents to the inclusion in the release of the matters based on the information in the form and context in which it appears. The Homestead Mineral Resource estimate was compiled with the consent of Mr Ian Copeland.

The Mineral Resource estimate is tabulated inclusive of Ore Reserves. Cut-off grades used to estimate the Mineral Resource vary by deposit, ranging from 0.7g/t Au up to 1.0g/t Au. Note rounding errors may occur in the tabulation of the Mineral Resource estimate.

Measured Resources are 0.65Mt at 1.7 g/t for 35,000 oz, Indicated Resources are 41.66Mt at 2.0 g/t for 2,720,000 oz and Inferred Resources of 29.64Mt at 2.2 g/t for 2,070,000 oz. Proven Reserves are 0.12Mt at 1.2 g/t for 4,700 oz, and Probable Reserves are 17.74Mt at 1.8 g/t for 1,007,700oz.



- ⊙ Historical drillhole collar
- Norton Gold Fields drillhole - 2007 Program
- Norton Gold Fields drillhole - 2008 Program
- Rangal Coal Measures subcrop zone
- Road - primary route
- - - Road
- - - C' Seismic section line
- ▨ Intrusive rocks

  
**MIDDLEMOUNT COAL PROJECT - EPC1033**  
**Drillhole Location Map**  
 Map Projection: MGA Zone 55 (AGD94)

Data: AUSMEC Geoscience	Date: June 2008
Compiled: AUSMEC	Scale: 1:100 000
<b>Figure 2</b>	