

SECURITIES DEALING POLICY

1. Purpose

The purpose of this policy is to prevent **Norton Gold Fields Limited (NGF)** and its employees (including Directors) from breaching legislative prohibitions on insider trading by dealing in the Securities of NGF or other companies while in possession of inside information.

The policy outlines where NGF Employees may deal in NGF Securities, or the Securities of other companies.

The definition of Securities includes shares in a company and other instruments such as exchange traded options and warrants.

2. Application

This Policy applies to:

- NGF's Directors;
- Employees of NGF and its related bodies corporate; and
- Contractors and Consultants engaged by NGF who, in the course of their engagement with NGF, come in possession of inside information about NGF or another company.

In this policy, all of these people are referred to as NGF Employees.

Additional responsibilities apply to NGF Directors, Executive Officers and others identified as Designated Officers.

Aspects of this Policy also extend to associates of NGF Employees, such as family members or companies and other entities controlled by NGF Employees and their associates.

If you are unsure about how this policy applies to you or to any instrument you wish to deal in, you should seek assistance from the Company Secretary before you deal in the instrument.

3. The Law against Insider Trading

The Corporations Act prohibits a person from dealing, or procuring other persons to deal, in the Securities of a company if the person:

- possesses inside information about the company; and
- knows, or ought to reasonably know, that the information is inside information.

For NGF Employees, this prohibition applies to dealing in NGF Securities. It can also apply to dealing in Securities of another company where a NGF Employee is in possession of inside information about that other company in the course of their employment with NGF.

3.1 What is inside information?

Inside information is information about a company that is not generally available to the market and that, if it were to be made generally available to the market, would reasonably be expected to have a material effect on the price or value of Securities issued by the company (ie. Information that is "price Sensitive").

Information is generally available if:

- it consists of readily observable matter; or

- it has been publicly disclosed by an announcement to the ASX and a reasonable period for its dissemination among investors has elapsed; or
- it consists of deductions, conclusions or inferences made or drawn from other generally available information.

NGF has legal obligations to immediately disclose to the market all information which would reasonably be expected to have a material effect on the price or value of its Securities. However, there are circumstances where information of this kind is not required to be disclosed, particularly if it relates to an incomplete proposal or to matters which are insufficiently definite to warrant disclosure.

Examples of information that might be inside information include information about:

- NGF's financial performance, particularly in comparison with forecast results or market expectations;
- a substantial transaction under consideration;
- an actual or proposed change to capital structure, including a share issue or a debt refinancing;
- a material claim or unexpected liability.

3.2 What is dealing in Securities?

You deal in Securities if you acquire or dispose of any economic interest in those Securities. This includes:

- acquiring or disposing of the Securities
- entering into an agreement to acquire or dispose of the Securities; or
- granting, accepting, acquiring, disposing, exercising, or discharging an option or other right or obligation to acquire or dispose of the Securities.

3.3 Consequences of breaching prohibition against insider trading

Insider trading is a criminal offence and may attract substantial fines or imprisonment. Civil penalties may also apply, including the payment of compensation to any person who has suffered loss or damage because of insider trading.

NGF Employees who fail to adhere to the requirements of this Policy may face disciplinary action.

The Australian Securities Exchange (ASX), the Australian Securities and Investments Commission (ASIC), and external governance advisers all monitor NGF's compliance with this Policy. Breaches of the Policy by NGF Employees can have material adverse consequences for NGF's reputation with the ASX and ASIC, and with the investment community at large.

4. NGF's Policy Positions

4.1 Prohibited Dealing in NGF Securities

NGF Employees must not deal in NGF Securities at any time if they are in possession of inside information about NGF.

NGF Employees also must not deal in NGF Securities during any of the following blackout periods:

- the period between 1 July and the close of business on the second day after NGF announces its Preliminary Final Results (Appendix 4E);
- the period between 1 January and the close of business on the second day after NGF announces its Half Year Results (Appendix 4D);
- the period between the commencement of a month when NGF is required to announce its Quarterly Activities report and the close of the second business day after the respective Quarterly Activities Report is announced;
- the period ending at the close of the third day after NGF announces price sensitive information.

4.2 Permitted Dealing in NGF Securities

Subject to additional requirements set out below, NGF Employees may deal in NGF Securities at any other time. These additional requirements relate mainly to NGF Employees who are Designated Officers.

4.3 Dealing in Securities of other companies

From time to time, NGF will be engaged in activities which might result in inside information about another company becoming available to some NGF Employees because of their role or position with NGF. For example:

- another company may provide information about itself, or about a third company, to NGF in the course of a proposed transaction;
- NGF may be considering a transaction which, if implemented, may have an effect on another company and the value of that company's Securities;
- NGF may receive information about the financial or operating performance of a company that NGF has a joint venture with or an investment in.

NGF employees must not deal in Securities of another company if they are in possession of inside information about that other company.

4.4 Short-term or speculative dealing

NGF encourages NGF Employees to be long-term investors in NGF Securities and to act in a way that promotes growth in long-term returns for all holders of NGF Securities. Speculation in short-term fluctuations in the value of NGF Securities does not promote market confidence in the integrity of NGF or NGF Employees.

NGF Employees must not deal in NGF Securities as a short-term trader or on a speculative basis. NGF Employees who acquire NGF Securities must not dispose of those Securities, or enter into arrangements (such as margin loans) which could result in those Securities being disposed of, with 6 months of acquisition.

This prohibition does not apply to Securities acquired as a result of the exercise of an option or similar right where the option or right has been held for at least 6 months. This prohibition also does not apply to NGF shares acquired by NGF Employees under NGF's Employee Share and Option Scheme, Employee Share Ownership Plan or Employee Loan Funded Share Scheme.

4.5 Derivatives

NGF may grant NGF shares, options or performance rights to NGF Employees as part of their remuneration entitlements. These grants will usually be subject to the satisfaction of performance hurdles before they vest in the NGF Employee.

The use of Derivatives over unvested NGF Securities has the potential to allow NGF Employees to realise value from those Securities even if the performance hurdles have not been satisfied. This would undermine the intended alignment between the performance of NGF Employees and the interests of NGF shareholders.

NGF Employees are not permitted to use Derivatives in relation to any unvested NGF Securities. For this purpose, a Derivative includes any option, forward contract, swap, futures contract or warrant, or any other arrangement, which itself or in combination with one or more other Derivatives would have the effect of providing a NGF Employee with greater benefit than would otherwise have been realised in respect of the unvested NGF Securities.

NGF Employees may only use Derivatives in relation to NGF Securities which have vested, provided they have the prior written approval of the Board.

5. Specific Rules for Designated Officers

5.1 Who is a Designated Officer?

Additional safeguards are necessary to avoid the potential for adverse public perceptions of NGF as a result of dealings in NGF Securities by NGF Employees in senior roles. For the purposes of this Policy, these NGF Employees are Designated Officers.

A Designated Officer is a NGF Employee who is:

- a NGF Director
- a member of NGF’s Executive Team; or

Other NGF Employees may also occupy a position, or perform a role, which may attract public scrutiny of dealings by those NGF Employees in NGF Securities. The Managing Director may, from time to time, designate any NGF Employee to be a Designated Officer for the purpose of this Policy.

5.2 Dealings in NGF Securities by Designated Officers

Any Designated Officer who proposes dealing in NGF Securities must, before the dealing occurs, notify the Company Secretary of the proposed dealing in writing (or by email) setting out the full details of the proposed dealing including:

- Name of security holder;
- Proposed date of dealing;
- Type of proposed transaction (purchase, sale, etc); and
- Number of securities involved.

The Designated Officer must not undertake the proposed dealing until it has been approved in writing (or by email) in accordance with the following protocol:

<u>Dealing to be undertaken by:</u>	<u>Dealing to be approved by:</u>
A non-executive Director or Company Secretary	Chairman of the Board Chairman of the Audit Committee
Chairman of the Board	Chairman of the Board
Managing Director	Chairman of the Board
Chief Financial Officer	Managing Director
Member of Executive Team	Managing Director
All other Designated Officers	Managing Director

An approval to undertake the proposed dealing will be valid for two (2) weeks (but completion of the proposed dealing must not occur during a blackout period and must otherwise comply with the requirements of this Policy).

The requirements for Designated Officers to seek approval before dealing in NGF Securities do not apply to:

- the acquisition of Securities under NGF’s Employees under NGF’s Employee Share and Option Scheme, Employee Share Ownership Plan or Employee Loan Funded Share Scheme;
- the acquisition of shares under a Dividend Reinvestment Plan;
- participation in an offer or invitation made to all or most of the security holders, eg. Rights issues, general Share Buy-Back offer and Share Purchase Plans.

5.3 Restrictions applicable to associates of Designated Officers

This Policy extends to associates of Designated Officers in relation to dealing in NGF Securities. A Designated Officer's associates include family members or companies and other entities controlled by the Designated Officer. This means that a Designated Officer must take all steps reasonably necessary for the Designated Officer's associates to:

- avoid dealing in NGF Securities during a blackout period;
- avoid dealing in NGF Securities as a short-term trader or on a speculative basis;
- notify the Company Secretary of, and seek approval for, proposed dealings in NGF Securities.

5.4 Margin Loans

Margin loans to support an investment in Securities have the potential to compromise a NGF Employee's ability to comply with this Policy or with the legal prohibition against insider trading. This is because the terms of a margin loan may require the sale of Securities during a blackout period (in relation to NGF Securities) or at a time when the NGF Employee is in possession of inside information about NGF or another company in which the NGF Employee holds Securities.

NGF Employees are prohibited from entering into margin loan arrangements to fund the acquisition of NGF Securities or in relation to which NGF Securities may be used as a security against repayment of the loan.

The following requirements will apply to margin loans proposed to be obtained by a Designated Officer to acquire Securities of any other company in relation to which it is reasonably foreseeable that the Designated Officer could come into possession of inside information as a consequence of being a NGF Employee.

- The Designated Officer must provide notice of, and obtain approval for, the proposed margin lending arrangements following the process outlined in paragraph 5.2 above. Approval must be obtained before the margin lending arrangements are entered into.
- Similarly, the Designated Officer must ensure that the terms of the margin lending arrangements do not require, or allow for, Securities of any company to be disposed of at a time when the Designated Officer is in possession of inside information in relation to that company.
- The Designated Officer must promptly inform the Company Secretary in writing (or by email) of any margin call that is made under the margin lending arrangements, and of the terms of that margin call.

5.5 Notification by Directors of Dealing in NGF Securities

NGF is required to notify the ASX within 5 business days of any dealings by NGF Directors in NGF Securities. To allow NGF to meet its ASX obligations, NGF Directors must notify the Company Secretary as soon as practicable (and, in any case, no later than 2 business days) after the dealing occurs.

The Company Secretary will notify the ASX of the Director's dealing in NGF Securities using Appendix 3Y as required by the ASX Listing Rules. The Company Secretary will promptly provide all Directors with a copy of each Appendix 3Y sent to the ASX.

6. Exceptional Circumstances

6.1 Exemption to allow dealings during blackout periods

The Company Secretary has the discretion to give approval to a NGF Employee to dispose of NGF Securities during a blackout period if both of the following conditions are satisfied:

- the NGF Employee is experiencing genuine financial hardship or there are other exceptional circumstances; and
- the NGF Employee is not actually in possession of inside information about NGF.

An NGF Employee seeking approval to dispose of NGF Securities during a blackout period should do so in accordance with procedures set out in 5.2 of this Policy. Full details of why the NGF Employee considers that exceptional circumstances exist should be included.

The Company Secretary must maintain a record of all approvals given to sell NGF Securities during a blackout period.

The Company Secretary must promptly inform the Board of all instances where approval has been given to a NGF employee to sell NGF Securities during a blackout period.

7. Other Matters

7.1 Date of effect

This Policy has been approved by NGF's Board and has effect from 27 October 2010.

7.2 Further Information about this Policy

If you have any questions about the application of this Policy to you, please contact the Company Secretary.

8. Glossary

Terms used in this Policy have the meaning set out below:

NGF means NGF Limited (ABN xx)

NGF Board means the board of directors of NGF

NGF Employees means each director, officer and employee of NGF or its related bodies corporate (within the meaning of section 50 of the Corporations Act), and each contractor and consultant to NGF or its related bodies corporate who are contractually bound to comply with this policy.

NGF Executive Team means NGF Employees who hold a senior management role and who are direct reports to NGF Managing Director.

associate in relation to a NGF Employee means:

- a member of the NGF Employee's immediate family; and
- a company or other entity controlled by the NGF Employee or a member of their immediate family.

blackout period means each of the following periods:

- the period between 1 July and the close of business on the second day after NGF announces its Preliminary Final Results (Appendix 4E)/Financial Results;
- the period between 1 January and the close of business on the second day after NGF announces its Half Year Results (Appendix 4D);
- the period between the commencement of a month when NGF is required to announce its Quarterly Activities report and the close of the second business day after the respective Quarterly Activities Report is announced;
- the period ending at the close of the third day after NGF announces price sensitive information.

Company Secretary means the Company Secretary of NGF from time to time. This is currently Robert Brainsbury or Leni Stanley who can be contacted at rbrainsbury@nortongoldfields.com.au or leni.stanley@sya.com.au or on (07) 3846 9200 or (07) 3221 6022.

Corporations Act means the *Corporations Act 2001 (Cth)*.

NORTON GOLD FIELDS LIMITED

deal or ***dealing*** in relation to Securities means to acquire or dispose of any economic interest in those Securities. The term is intended to be interpreted broadly and includes:

- acquiring or disposing of the Securities;
- entering into an agreement to acquire or dispose of the Securities; or
- granting, accepting, acquiring, disposing, exercising, or discharging an option or other right or obligation to acquire or dispose of the Securities.

Derivatives has the meaning given in Section 761D of the Corporations Act and includes options, forward contracts, swaps, future contracts and warrants and any combination of one or more of these things.

Designated Person means a NGF Employee who is:

- a NGF Director
- a member of NGF's Executive Team;
- any other NGF Employee who is a participant in NGF's Employee Loan Funded Share Scheme; or
- any person designated by the Managing Director as a Designated Officer in accordance with paragraph 5.1 of this Policy.

inside information in relation to a company means information about the company that is not generally available and that, if it were to be made generally available, would reasonably be expected to have a material effect on the price or value of Securities issued by the company.

Securities include shares, options, rights, debentures, interests in a managed investment scheme, Derivatives, and financial products covered by section 1042A of the Corporations Act.