NORTON GOLD FIELDS LIMITED

ACN 112 287 797

Interim Financial Report

For the half-year ended 30 June 2014

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 December 2013 and any public announcements made by Norton Gold Fields Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' report

The directors present their report on the consolidated entity ("the Group") comprised of Norton Gold Fields Limited ("Norton" or "the Company") and the entities it controlled at the end of or during the half-year ended 30 June 2014.

Directors

The following persons were directors of Norton Gold Fields Limited during the period and up to the date of this report unless otherwise stated:

J. Chen (Non-executive Chairman)
Dr D. Chen (Managing Director and Chief Executive Officer)
A. Bi (Non-Executive Director)
Dr N. White (Non-Executive Director)
X. Cai (Non-Executive Director)

Review of operations

Revenue of $113.725 million for the half-year ended 30 June 2014 was down $12.854 million compared to the previous corresponding period due to lower gold ounces sold (79,268 ounces compared to 85,102 in the previous corresponding period) and the offsetting of gold revenues ($3.599 million) from the Bullant capital project in accordance with the group's accounting policies on development assets. Net cash and cash equivalents as at 30 June 2014 of $27.087 million decreased by $11.182 million in the half-year ended due to lower revenues and cash paid for investment in Bullabulling offset by cash from operating activities.

Gross profit of $10.519 million for the half-year ended 30 June 2014 was down $3.322 million compared to the previous corresponding period due to lower revenues offset by lower costs. The March and June quarterly reports provide details of the key operational drivers during the period.

Net profit after income tax of the group (NPAT) of $2.441 million for the half-year ended 30 June 2014 was up $1.668 million compared to the previous corresponding period due to lower foreign exchange loss as a result of a stronger Australian dollar offset by lower revenues and costs, and lower income tax benefit.

Rounding of amounts

The Company is an entity to which Australian Securities and Investments Commission (ASIC) Class Order 98/100 applies and, accordingly, amounts in the consolidated financial statements and directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 2.

This report is made in accordance with a resolution of the directors.

Dr D. Chen
Managing Director and Chief Executive Officer
14 August 2014

Ernst & Young
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Perth WA 6000 Australia
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Auditor's Independence Declaration to the Directors of Norton Gold Fields Limited

In relation to our review of the financial report of Norton Gold Fields Limited for the half-year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Robert Kirkby
Partner
14 August 2014

RK:MW:NGF:029

Interim consolidated statement of comprehensive income
For the half-year ended 30 June 2014

	Notes	Half-year 30 June 2014 $'000	Half-year 30 June 2013 $'000
Revenue		113,725	126,579
Cost of sales	4	(103,206)	(112,738)
Gross profit		**10,519**	**13,841**
Impairment of capitalised mining costs	5	(2,983)	-
Administrative expenses	6	(5,248)	(4,450)
Other income		780	632
Profit/(loss) before net finance costs		**3,068**	**10,023**[1]
Finance income	7	1,987	1,050
Finance costs	8	(3,964)	(15,706)
Profit/(loss) before tax		**1,091**	**(4,633)**
Income tax benefit	9	1,350	5,406
Profit for the half-year attributable to the owners of the Company		**2,441**	**773**
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period attributable to owners of the Company		**2,441**	**773**
Earnings per share		**Cents**	**Cents**
Basic earnings per share		0.26	0.09
Diluted earnings per share		0.26	0.09

[1] Unrealised foreign exchange losses of $13,863,000 which were previously disclosed on the face of the interim consolidated statement of comprehensive income for the half-year ended 30 June 2013 have been reclassified to finance costs (refer to Note 8). Such disclosure is consistent with the presentation adopted in the annual report for the year ended 31 December 2013.

The interim consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Interim consolidated statement of financial position
As at 30 June 2014

	Notes	30 June 2014 $'000	31 December 2013 $'000
Assets			
Current assets			
Cash and cash equivalents		27,087	38,269
Trade and other receivables		6,998	10,359
Inventories		41,898	32,107
Prepayments		283	408
Total current assets		**76,266**	**81,143**
Non-current assets			
Exploration and evaluation assets		63,567	60,241
Capitalised mining costs		93,447	92,596
Property, plant and equipment	10	96,417	98,757
Investment in an associate	11	11,381	-
Other assets		3,096	3,675
Deferred tax assets		16,202	14,853
Total non-current assets		**284,110**	**270,122**
Total assets		**360,376**	**351,265**
Liabilities			
Current liabilities			
Trade and other payables		35,767	29,664
Borrowings		16,055	17,017
Provisions		8,015	6,425
Other financial liability		1,209	175
Other liability		300	236
Total current liabilities		**61,346**	**53,517**
Non-current liabilities			
Borrowings		111,696	113,335
Provisions		26,674	26,279
Other liability		190	148
Total non-current liabilities		**138,560**	**139,762**
Total liabilities		**199,906**	**193,279**
Net assets		**160,470**	**157,986**
Equity			
Contributed equity	12	186,841	186,841
Reserves		12,084	12,041
Accumulated losses		(38,455)	(40,896)
Total equity		**160,470**	**157,986**

The interim consolidated statement of financial position should be read in conjunction with the accompanying notes.

Interim consolidated statement of changes in equity
For the half-year ended 30 June 2014

	Contributed equity $'000	Option reserve $'000	Share-based payments reserve $'000	Accumulated losses $'000	Total equity $'000
At 1 January 2013	**176,652**	**-**	**10,493**	**(63,361)**	**123,784**
Net profit for the period	-	-	-	773	773
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	773	773
Transactions with owners in their capacity as owners					
Share-based payments	-	-	54	-	54
At 30 June 2013	**176,652**	**-**	**10,547**	**(62,588)**	**124,611**
At 1 January 2014	**186,841**	**1,463**	**10,578**	**(40,896)**	**157,986**
Net profit for the period	-	-	-	2,441	2,441
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,441	2,441
Transactions with owners in their capacity as owners					
Share-based payments	-	-	43	-	43
At 30 June 2014	**186,841**	**1,463**	**10,621**	**(38,455)**	**160,470**

The interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim consolidated statement of cash flows
For the half-year ended 30 June 2014

	Half-year 30 June 2014 $'000	Half-year 30 June 2013 $'000
Cash flows from operating activities		
Receipts in the course of operations	114,481	132,448
Payments in the course of operations	(86,664)	(101,212)
Interest received	556	1,050
Interest and borrowing costs paid	(3,273)	(1,226)
Net cash provided by operating activities	25,100	31,060
Cash flows from investing activities		
Payments for plant and equipment	(2,720)	(59,311)
Proceeds on disposal of exploration assets	-	10,000
Payments for exploration and mine development costs	(29,460)	(31,034)
Payments for investment in an associate	(4,564)	-
Refund of/(payments for) security deposits	581	(2,476)
Net cash used in investing activities	(36,163)	(82,821)
Cash flows from financing activities		
Proceeds from borrowings	-	89,370
Repayment of borrowings	-	(38,000)
Payments for finance lease liabilities	(45)	-
Net cash (used in)/provided by financing activities	(45)	51,370
Net decrease in cash and cash equivalents	(11,108)	(391)
Cash and cash equivalents at the beginning of the period	38,269	19,018
Effect of foreign exchange rate fluctuations on cash held	(74)	-
Cash and cash equivalents at the end of the period	**27,087**	**18,627**

The interim consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the interim consolidated financial statements
For the half-year ended 30 June 2014

1. Corporate information

Norton Gold Fields Limited ("Norton" or "the Company") is a for-profit entity limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

This interim financial report of the Company as at and for the half-year ended 30 June 2014 comprised of the Company and its controlled entities (collectively, "the Group"). The principal continuing activities of the Group consisted of production of gold and exploration in the Kalgoorlie gold fields. There has been no significant change in the nature of those activities during the half-year.

This interim financial report was authorised for issue in accordance with a resolution of the directors on 14 August 2014.

2. Basis of preparation and changes to the Group

Basis of preparation

This interim financial report is a condensed general purpose report prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the information and disclosures required in the annual financial report and should be read in conjunction with the Group's Annual Report as at and for the year ended 31 December 2013. This report must also be read in conjunction with public announcements made by the Company during the half-year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001* and the ASX Listing Rules.

Changes in accounting policy, accounting standards and interpretations

Except as described below, the accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those applied by the Group in its consolidated financial report as at and for the year ended 31 December 2013.

(a) Accounting policy for new transactions and events

Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over the policies. The Group's investment in an associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date less any impairment. The profit or loss reflects the Group's share of the associate's after tax profit or loss from operations.

Where there has been a change recognised directly in the associate's equity, the Group recognises its share of any changes and discloses this, where applicable, in the consolidated statement of changes in equity.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group. On loss of significant influences of an associate, any retained investment in the associate is recognised at fair value. A gain or loss, on loss of significant influence, is recognised in the profit or loss.

2. Basis of preparation and changes to the Group (continued)

(b) New standards and interpretations

The Group has adopted the new standards and interpretations that were effective from 1 January 2014 including:

- *Investment Entities* – Amendments to AASB 10, 12, 127

  These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under AASB 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments are effective for annual periods beginning on or after 1 January 2014.

  These amendments have no impact to the Group.

- *Remove Individual Key* Management Personnel Disclosure Requirements – Amendments to AASB 124 *Related Party Disclosures*

  This amendment deletes from AASB 124 individual key management personnel ("KMP") disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions. These amendments are effective for annual periods beginning on or after 1 July 2013.

  These amendments have no impact to the Group's interim financial report, but are expected to impact the Group's Annual Report.

- Interpretation 21 *Levies*

  Interpretation 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Interpretation 21 is effective for annual periods beginning on or after 1 January 2014.

  The adoption of Interpretation 21 has no material impact on the financial position or performance of the Group.

(c) Impact of accounting standards issued but not yet effective

The Group has not elected to early adopt any new or amended Standards or Interpretations that are issued but not yet effective.

Notes to the interim consolidated financial statements (continued)
For the half-year ended 30 June 2014

3. Segment information

The following table presents information for reportable operating segments for the periods ended 30 June 2014 and 2013, respectively.

	Paddington operations $'000	Mount Morgan project $'000	Total $'000
Half-year ended 30 June 2014			
Total segment revenue	113,725	-	113,725
Intersegment revenue	-	-	-
Revenue from external customers	113,725	-	113,725
Segment result	11,081[1]	-	11,081
Intersegment eliminations	-	-	-
Group allocated result	11,081	-	11,081
Half-year ended 30 June 2013			
Total segment revenue	126,579	-	126,579
Intersegment revenue	-	-	-
Revenue from external customers	126,579	-	126,579
Segment result	14,520[1]	(268)	14,252
Intersegment eliminations	-	-	-
Group allocated segment result	14,520	(268)	14,252

[1] Segment results of Paddington operations include depreciation of $26,462,000 (half-year ended 30 June 2013: $24,029,000).

The focus is on both the revenue and operating costs of the operations. Hence, the board monitors segment performance based on segment result (which excludes other comprehensive income).

Reconciliation of segment result to profit/(loss) before income tax is as follows:

	Half-year 30 June 2014 $'000	Half-year 30 June 2013 $'000
Group allocated segment result	11,081	14,252
Depreciation of office equipment	(63)	(45)
Impairment of capitalised mining costs	(2,983)	-
Finance income	1,987	1,050
Finance costs	(3,964)	(15,706)
Corporate office activities	(4,967)	(4,156)
Other	-	(28)
Profit/(loss) before income tax	**1,091**	**(4,633)**

Segment assets are allocated based on the operations of the segment and which segment enjoys the risk and benefits of ownership (as opposed to legal ownership).

	Paddington operations $'000	Mount Morgan project $'000	Total $'000
Total segment assets			
At 30 June 2014	292,455	12,241	304,696
At 31 December 2013	279,580	12,934	292,514

Notes to the interim consolidated financial statements (continued)
For the half-year ended 30 June 2014

3. Segment information (continued)

Reconciliation of segment assets to the Group's assets is as follows:

	30 June 2014 $'000	31 December 2013 $'000
Group allocated assets	304,696	292,514
Unallocated:		
Cash and cash equivalents	24,474	37,630
Trade and other receivables	322	2,961
Investment in an associate	11,381	-
Deferred tax assets	16,202	14,853
Exploration and evaluation assets	2,938	2,906
Property, plant and equipment	324	365
Other	39	36
Total assets	**360,376**	**351,265**

The liabilities measure is not disclosed as the Chief Executive Officer does not focus on liabilities at a segment level for the purposes of making strategic decisions about the allocation of resources.

4. Cost of sales

	Half-year 30 June 2014 $'000	Half-year 30 June 2013 $'000
Mining expenses	41,540	50,864
Milling costs	19,678	21,097
Maintenance	10,783	10,539
Haulage	11,122	10,039
Royalties	3,884	4,345
Change in inventories	(10,263)	(8,175)
Depreciation and amortisation	26,462	24,029
Total cost of sales	**103,206**	**112,738**

5. Impairment of capitalised mining costs

The impairment charge relates to the Golden Flag project. It has resulted from the completion of mining activities which led to the writing off of the excess of the carrying amount of the project.

6. Administrative expenses

Office and general administrative	3,650	3,034
Depreciation of office equipment	63	45
Rental expense	366	254
Operating lease expense	218	-
Insurance	134	70
Directors' fees	147	152
Professional and consulting fees	670	895
Total administrative expenses	**5,248**	**4,450**

7. Finance income

Interest	505	1,050
Net foreign exchange gain on borrowings	1,482	-
Total finance income	**1,987**	**1,050**

8. Finance costs

	Half-year 30 June 2014 $'000	Half-year 30 June 2013 $'000
Interest on borrowings	3,431	1,843
Unwind of discount on provision for mine rehabilitation	533	-
Net foreign exchange loss on borrowings	-	13,863
Total finance costs	**3,964**	**15,706**

9. Income tax benefit

The major components of income tax benefit are:

Current income tax expense	-	-
Deferred income tax expense related to origination and reversal of deferred taxes	(1,350)	(5,406)
Total income tax benefit	(1,350)	(5,406)

Reconciliation of income tax benefit to prima facie tax:

Profit/(loss) before tax	1,091	(4,633)
Tax expense at 30% (30 June 2013: 30%)	327	(1,390)
Non-deductible expenses	49	20
Adjustments arising from adoption of new accounting policies	-	(4,036)
Under/(over) provided in prior years	(1,726)	-
Total income tax benefit	(1,350)	(5,406)

10. Property, plant and equipment

Acquisitions

During the half-year ended 30 June 2014, the Group acquired assets with a cost of $1,885,000 (half-year ended 30 June 2013: $59,311,000).

11. Investment in an associate

On 17 April 2014, Norton announced that it had made an off-market takeover offer for all the fully paid ordinary shares in Bullabulling Gold Limited ("Bullabulling"), which is involved in mining exploration and development. Bullabulling is headquartered in Perth, Western Australia and is dual-listed on the Australian Securities Exchange and London AIM. The offer for Bullabulling continues Norton's strategy to consolidate opportunities in Western Australia's gold sector. On 5 May 2014, the Company announced that the offer had become unconditional. As at the reporting date, Norton received acceptances representing 41.35% of Bullabulling's ordinary shares. The Group has determined that as at 30 June 2014, it does not have control over Bullabulling and its interest in Bullabulling has been classified as an investment in associate and is accounted for using the equity method. The 41.35% interest comprised of 142,258,714 ordinary shares at a purchase price of $0.08 per share.

The reporting date of Bullabulling is 31 December. At the date of this report, the fair values of the underlying assets and liabilities of Bullabulling are yet to be determined due to timing.

Notes to the interim consolidated financial statements (continued)
For the half-year ended 30 June 2014

11. Investment in an associate (continued)

The identifiable assets and liabilities of Bullabulling at 30 June 2014 were:

	Provisional fair value $'000
Cash and cash equivalents	2,055
Other receivables	746
Prepayments	100
Available-for-sale financial assets	428
Exploration and evaluation assets	26,603
Property, plant and equipment	693
Trade and other payables	(1,460)
Employee benefits	(289)
Provision for site restoration	(1,353)
Total identifiable net assets	27,523
Proportion of the Group's ownership	41.35%
Carrying amount of the investment	**11,381**

The associate had no identified contingent liabilities or capital commitments as at 30 June 2014.

12. Contributed equity

	30 June 2014 $'000	31 December 2013 $'000
931,850,662 fully paid ordinary shares (2013: 931,850,662)	186,892	186,892
Less: share issue costs	(51)	(51)
Total contributed equity	**186,841**	**186,841**

	30 June 2014 Shares	31 December 2013 Shares	30 June 2014 $'000	31 December 2013 $'000
Balance at 1 January	931,850,662	861,580,265	186,841	176,652
Issue during the period/year				
Ordinary shares issued by means of the exercise of 12,000,000 options at $0.20 per option	-	-	-	-
Ordinary shares issued as a result of takeover of KMC	3	70,270,397	-	10,189
Balance at 30 June	**931,850,665**	**931,850,662**	**186,841**	**186,841**

13. Related party transactions

Transactions with key management personnel

Directors and key executives received compensation during the period pursuant to arrangements detailed in the Annual Report for the year ended 31 December 2013. There were no loans with key management personnel.

Notes to the interim consolidated financial statements (continued)
For the half-year ended 30 June 2014

13. Related party transactions (continued)

Transactions with related parties

The following table provides outstanding balances with related parties as at 30 June 2014 and 31 December 2013:

	30 June 2014 $'000	31 December 2013 $'000
Outstanding unsecured loan amounts from Gold Mountains (H.K.) International Mining Co. Ltd.	15,934	16,903

Gold Mountains (HK) is a fully owned subsidiary of Zijin Mining Group Co.,Ltd.

14. Financial instruments

Fair values

The table below is a comparison of the carrying amounts and fair values of financial instruments as at 30 June 2014:

	Carrying amount $'000	Fair value $'000
Financial assets		
Current		
Cash and cash equivalents	27,087	27,087
Loan and receivables - trade and other receivables	6,998	6,998
Total current	**34,085**	**34,085**
Non-current		
Loan and receivables - other assets	3,096	3,096
Total non-current	**3,096**	**3,096**
Total	**37,181**	**37,181**
Financial liabilities		
Current		
Loan and receivables		
Trade and other payables	35,767	35,767
Borrowings	16,055	16,055
Other financial liability – forward foreign exchange contract	1,209	1,209
Total current	**53,031**	**53,031**
Non-current		
Loan and receivables – finance lease liabilities	456	456
Loan and receivables – floating rate borrowing[1]	111,240	111,240
Total non-current	**111,696**	**111,696**
Total	**164,727**	**164,727**

[1] Due to variable interest rate (that is, Libor plus 2.1%), the fair value approximates the carrying amount.

14. Financial instruments (continued)

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – quoted market prices in an active market (that are unadjusted) for identical assets and liabilities;

Level 2 – valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable); and

Level 3 – valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

As at 30 June 2014, the Group held the following classes of financial instruments measured at fair value:

	30 June 2014 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Financial liabilities				
Foreign exchange forward contract	1,209	-	1,209	-

Valuation techniques

The fair value of foreign exchange forward contract is determined using the Level 2 method requiring fair value to be calculated using observable market inputs. The Group's fair value for the foreign exchange forward contract under the Level 2 method is sourced from an independent valuation.

The fair values of cash, short-term deposits, trade and other receivables, trade and other payables and short-term borrowings approximate their carrying amounts as a result of their short maturity.

The fair values of other borrowings and other long-term receivables (security deposits) that do not have an active market are based on valuation techniques such as present value techniques, using both observable and unobservable market inputs.

15. Commitments and contingencies

Commitments

Leases

The Group is subject to operating and finance lease commitments in connection with the purchase of light motor vehicles totalling of $578,000. The terms extend through the period from 1 July 2013 to 31 October 2016. The Group is also subject to operating lease commitments in connection with rented office premises.

Capital commitments

The Group had no significant capital expenditure contracted at 30 June 2014 (31 December 2013: Nil).

Physical gold delivery commitments

	Gold for physical delivery Ounces	Contracted gold sale price $/ounce	Value of committed sales $'000
These commitments are not provided for in the interim consolidated financial statements			
Within one year	12,500.000	1,431.00	17,887
Within one year	9,825.172	1,452.80	10,388
Within one year	12,500.000	1,497.00	18,712
	34,825.172		46,987

Notes to the interim consolidated financial statements (continued)
For the half-year ended 30 June 2014

15. Commitments and contingencies (continued)

Contingent liabilities

The Group had no contingent liabilities at 30 June 2014 (31 December 2013: Nil).

16. Events after the reporting period

Except for the matters noted below, as at the date of this report, there have been no events occurring subsequent to reporting period which would have a material impact on the Group or require disclosure in this interim financial report.

Acquisition of Bullabulling Gold Limited

The acquisition of Bullabulling Gold Limited ("Bullabulling") is accounted for as an investment in an associate at 30 June 2014 (refer to Note 11 for details).

On 14 July 2014, Norton obtained greater than 50% of the issued capital of Bullabulling. On 4 August 2014, subsequent to Norton receiving acceptances representing 75.99% of Bullabulling's shares, Bullabulling announced the appointment of Dr Chen and Dr White as directors of Bullabulling. Dr Chen was also appointed as the Chairman of Bullabulling.

As at the date of this report, this acquisition is still ongoing. Therefore, the final valuation of assets and liabilities has not been completed and finalised by the date of this report. As such, the fair values of the assets and liabilities are disclosed below.

The offer by Norton for Bullabulling is open until 18 August 2014. The acquisition of all shares during the offer period will be accounted for as part of the acquisition accounting. As at 5 August 2014, Norton has received acceptances for 77.13% of the issued capital of Bullabulling. Based on acceptances at this date and the provisional fair values of assets and liabilities of Bullabulling at 30 June 2014, which are not expected to be materially different from the acquisition date, the provisional accounting will be as below.

The Group has elected to measure the non-controlling interest in Bullabulling at a proportionate share of its interest in Bullabulling's identifiable net assets.

The provisional fair value of the identifiable assets acquired and liabilities assumed of Bullabulling are:

	Provisional fair value $'000
Cash and cash equivalents	2,055
Other receivables	746
Prepayments	100
Available-for-sale financial assets	428
Exploration and evaluation assets	27,145
Property, plant and equipment	693
Trade and other payables	(1,460)
Employee benefits	(289)
Provision for site restoration	(1,353)
Total identifiable net assets	28,065
Non-controlling interest	(6,093)

Details of purchase consideration transferred:

	Number of Shares	$'000
Fair value of share consideration	151,557,684	12,125
Cash and cash equivalents acquired		(2,055)
Acquisition of subsidiary, net of cash acquired		10,070

The fair value of shares acquired is based on a price offer of $0.08 per ordinary share.

Directors' declaration

In the opinion of the directors of Norton Gold Fields Limited:

(a) the financial statements and notes set out on pages 3 to 15 are in accordance with the *Corporations Act 2001*, including:

    (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and

    (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made in accordance with a resolution of the directors.

Dr D. Chen
Managing Director and Chief Executive Officer
14 August 2014

Building a better
working world

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Independent review report to the members of Norton Gold Fields Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Norton Gold Fields Limited, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year period.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half-year period ended on that date; and complying with Accounting Standard AASB 134 *Interim* Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Norton Gold Fields Limited and the entities it controlled during the half–year period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Norton Gold Fields Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year period ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Robert Kirkby
Partner
Perth
14 August 2014