NORTON GOLD FIELDS LIMITED

REGISTRATION OF SCHEME BOOKLET

8 April 2015

About Norton

Norton Gold Fields Limited (ASX: NGF) is an established mid-tier hedged gold producer.

In CY2014, Norton produced 178,269 ounces of gold from its open cut and underground operations at Paddington, near Kalgoorlie in Western Australia.

Norton's growth will come from optimising existing operations and acquiring and developing resources.

For more information, please visit our website.

www.nortongoldfields.com.au

Norton Gold Fields (ASX: NGF)

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Jinghe Chen

Non-Executive Chairman

Dianmin Chen

Managing Director

& Chief Executive Officer

Registration of Scheme Booklet

Further to the announcement of 8 April 2015, Norton Gold Fields Limited (**Norton** or the **Company**) (ASX: NGF) announces that it has today registered the Scheme Booklet with ASIC for the purposes of section 412(6) of the Corporations Act.

A copy of the Scheme Booklet is attached and is also available at Norton's website at www.nortongoldfields.com.au.

The Scheme Booklet will be despatched to Shareholders on or before 17 April 2015.

Shareholders should read the Scheme Booklet and accompanying material in its entirety before deciding whether or not to vote in favour of the Scheme.

The Scheme Meeting is to be held at 2:30pm (WST) on 21 May 2015 at Level 8, Exchange Plaza, 2 The Esplanade, Perth Western Australia.

For further information please contact:

Richard Jones
Company Secretary
Tel +61 (8) 9263 9700
Fax +61 (8) 9263 9777
Email – info@nortongoldfields.com.au

Norton Gold Fields Limited

(ACN 112 287 797)

Scheme Booklet

In relation to a proposal from Zijin Mining Group Co., Limited to acquire, via its wholly owned subsidiary Jinyu (H.K.) International Mining Company Limited, all of the issued securities in Norton Gold Fields Limited that it does not already own by way of scheme of arrangement.

Your Independent Directors unanimously recommend you vote in FAVOUR of the Scheme, in the absence of a Superior Proposal.

The Independent Expert has concluded that the Scheme is in your best interests.

The Scheme Meeting will be held at 2:30pm (WST) on 21 May 2015 at Level 8, Exchange Plaza, 2 The Esplanade, Perth Western Australia.

This is an important document and requires your attention. You should read the document in full before you decide whether or not to vote in favour of the Scheme. If you are in any doubt about what action you should take, please consult your broker or financial, taxation, legal or other professional advisor immediately.

This Scheme Booklet is dated 8 April 2015

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IMPORTANT DATES AND TIMES FOR THE SCHEME

First Court Date	7 April 2015
Scheme Meeting	21 May 2015
Second Court Date	28 May 2015
Effective Date of Scheme	28 May 2015
Norton Suspension Date	28 May 2015
Record Date	3 June 2015
Implementation Date	9 June 2015

Norton reserves the right to vary the times and dates above and will announce any changes on the Norton website at www.nortongoldfields.com.au

All dates subsequent to the Scheme Meeting are indicative only and may change as the dates are subject to court approval and satisfaction of the conditions contained in the Scheme Implementation Agreement.

All times are Perth, Western Australian time unless stated otherwise.

IMPORTANT NOTICES

Purpose of this document

This Scheme Booklet is a scheme booklet to explain the proposed scheme of arrangement between Norton Gold Fields Limited (**Norton**) and Zijin Mining Group Co., Ltd (**Zijin**) and the manner in which it will be implemented (if approved by the Requisite Majority of shareholders and the Court).

Under the Scheme Implementation Agreement, Zijin has the right to give written notice to Norton nominating an alternate entity to acquire all of the Scheme Shares instead of Zijin. On 26 February 2015, Norton received notice from Zijin nominating Jinyu (H.K) International Mining Company Limited (**Jinyu**), a wholly owned subsidiary of Zijin, as the acquiring entity.

This Scheme Booklet includes the explanatory statement required to be sent to Shareholders in relation to the Scheme pursuant to Section 412(1) of the Corporations Act. This Scheme Booklet is not a disclosure document under Chapter 6D of the Corporations Act. Section 708(17) provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under Section 411(1) of the Corporations Act.

ASIC and ASX

A copy of this Scheme Booklet has been provided to ASIC for review so that ASIC may provide a statement, in accordance with Section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. A copy of this Scheme Booklet has been registered by ASIC for the purposes of Section 412(6) of the Corporations Act. A copy of this Scheme Booklet has also been lodged with the ASX. Neither ASIC or the ASX nor any of its officers take any responsibility for the contents of this Scheme Booklet.

Court

A copy of the Scheme Booklet has been lodged with the Court to obtain an order of the Court approving the convening of the Scheme Meeting. Orders made by the Court are made pursuant to Section 411 of the Corporations Act.

The fact that, under Section 411(1) of the Corporations Act, the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet does not mean that the Court:

(a) has formed any view as to the merits of the proposed Scheme or as to how Scheme Participants should vote; or

(b) has prepared, or is responsible for the contents of the Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Defined terms

Capitalised terms used in this Scheme Booklet are defined in Section 10 (Definitions and Interpretation) of this Scheme Booklet. Section 10 also sets out some rules of interpretation which apply to this Scheme Booklet.

All $ references, are references to Australian Dollars unless otherwise stated.

Investment decisions

The Scheme Booklet is important and requires your immediate attention. It should be read in its entirety before making a decision on whether or not to vote in favour of the Scheme. This Scheme Booklet is intended for all Scheme Participants collectively and does not take into account the investment objectives, financial situation and particular needs of each individual Scheme Participant or any other particular person. This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to the Scheme, Shares or Options. Before making any investment decision in relation to these matters you should consider, preferably with the assistance of a professional adviser, whether that decision is appropriate in the light of your particular investment needs, objectives and financial circumstances. If you are in any doubt about what you should do, you should seek independent financial and taxation advice before making any investment decision in relation to the Scheme, Shares or Options.

Responsibility Statement

Other than as set out below, the information contained in this Scheme Booklet has been prepared by and is the sole responsibility of Norton. Except as outlined below, none of Zijin or Jinyu, or any of their respective Related Bodies Corporate, directors, officers, employees or advisors assumes any responsibility for the accuracy or completeness of such information. The Zijin Information contained in this Scheme Booklet has been prepared by and is the responsibility of Zijin. Neither Norton nor any of its directors, officers or advisors assumes or accepts any responsibility for the accuracy or completeness of the Zijin Information. Deloitte has prepared the Independent Expert's Report (as set out in Schedule 1 to this Scheme Booklet) and takes responsibility for that report. None of Zijin, Jinyu or Norton, nor any of their respective Related Bodies Corporate, directors, officers, employees or advisers assumes any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report, except, in the case of Norton, in relation to the information which it has provided to the Independent Expert.

Foreign Scheme Participants

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions, and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

The Scheme booklet has been prepared in accordance with Australian law and is subject to Australian disclosure requirements. The information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia .Financial information in this Scheme Booklet has been prepared in accordance with Australian Accounting Standards and is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

Forward looking statements

Certain statements in this Scheme Booklet relate to the future. Such forward looking statements, which include all information relating to the performance of Norton, are not based solely on historical facts but rather reflect the current expectations of Norton (in relation to the Norton Information) and Zijin or Jinyu (in relation to the Zijin Information). Statements that describe Norton's, Zijin's or Jinyu's objectives, plans, goals or expectation, estimated of reserves and resources, timelines for development and production and future costs may be forward looking statements. Forward looking statements or statements of intent in relation to future events in this Scheme Booklet (including in the Independent Expert's Report) should not be taken to be forecasts or predictions that those events will occur. Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals or expectations of Norton, Zijin or Jinyu are or may be forward looking statements. Forward looking statements involve known and unknown risks, uncertainties and assumptions and are subject to a variety of other factors that could cause the actual results or performance of Norton to be materially different from what is expressed by such statements. Some of the risks that Scheme Participants may be exposed to are set out in Section 7. Forward looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which Norton, Zijin and Jinyu will operate in the future. Accordingly, undue reliance should not be placed on forward looking statements.

Scheme Participants should note that the historical performance of Norton is no assurance of Norton's future performance. Other than what is required by law, none of Norton, Zijin or Jinyu, or their respective Related Bodies Corporate, directors, officers or advisors, represents that, or gives any assurance or guarantee that, the occurrence of events expressed or implied in any forward looking statements will actually occur.

The forward looking statements in this Scheme Booklet reflect the view held only at the date of this Scheme Booklet. Subject to any continuing obligations under the Listing Rules or the Corporations Act, Norton, Zijin and Jinyu, and their respective Related Bodies Corporate, officers, directors or advisers, disclaim any obligation or undertaking to distribute after the date of this Scheme Booklet any updates or revisions to any forward looking statements to reflect any change in expectations in relation to such statements or any change in events, conditions or circumstances on which any such statement is based.

Charts, maps and diagrams

Any diagrams, charts, maps, graphs or tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available as at the date of the Scheme Booklet.

Privacy

Norton may collect personal information in the process of implementing the Scheme. This information may include the names, contact details and security holdings of Shareholders and the names of persons appointed by Shareholders to act as proxy, corporate representative or attorney at the Scheme Meeting. The primary purpose of collecting this information is to assist Norton in conducting the Scheme Meeting and to enable the Scheme to be implemented by Norton in the manner described in this Scheme Booklet. Personal information may be disclosed to Zijin, Jinyu, the ASX, the Registry, print and mail service providers, authorised securities brokers, securities authorities and to related bodies corporate of Norton, Zijin or Jinyu. Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access personal information that has been collected. A Shareholder who wishes to access personal information should contact the Registry.

Shareholders who appoint a named person to act as their proxy, corporate representative or attorney at the Scheme Meeting should inform that person of the matters outlined above.

Letter from Norton Independent Directors

8 April 2015

Dear Norton Gold Fields Shareholders

Scheme Proposal from Zijin

We are pleased to provide you with this Scheme Booklet which sets out the information you need to know about the proposed scheme of arrangement with Zijin to acquire, via its wholly owned subsidiary Jinyu, all of the issued securities in Norton that it does not already own for cash consideration of $0.20 per Share.

Zijin is Norton's controlling shareholder, with an existing interest of 82.43% of Norton's Shares. On announcing the Scheme on 6 February 2015 we advised that in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of Norton Shareholders, we unanimously support the Scheme and recommend to the Norton Shareholders that you also support it.

Since that announcement:

1. no superior proposal has emerged; and

2. the Independent Expert, Deloitte Corporate Finance Pty Limited, has estimated the fair value of a Norton Share as in the range of $0.16 to $0.25 and has concluded that supporting the Scheme is in the best interests of a Norton Shareholder.

Zijin has not shown any intent that it will seek to sell down its interest in Norton or dilute its interest by other means if the Scheme is not supported by Norton's Shareholders. As such, if Shareholders do not approve the Scheme, you will remain minority shareholders in a company controlled by Zijin with a low likelihood of receiving an alternative offer.

If the Scheme proceeds you will no longer be a Norton Shareholder and you will not participate in any potential upside that may result from being a Norton Shareholder. You may disagree with the Independent Expert and believe that the Scheme is not in your best interests.

Further information in relation to the Scheme is set out in this Scheme Booklet, including some possible reasons why you may choose to vote for or against the Scheme (see Section 3).

In the circumstances we recommend that Norton Shareholders vote in favour of the Scheme at the Scheme meeting to be held on 21 May 2015.

Yours sincerely,

Anne Bi	Noel White	Dianmin Chen
Director	Director	Managing Director

Letter from Zijin Deputy Chairman

8 April 2015

Dear Norton Gold Fields Shareholders

Proposal by Zijin to acquire full control of Norton

Zijin is pleased to have the opportunity of submitting its proposal to acquire all of the issued share capital in Norton that it does not already own through a scheme of arrangement.

Zijin is currently an 82.43% shareholder in Norton and considers that it is in the best interest of all stakeholders at this time to have Zijin acquire the minority shareholdings and take Norton private.

Zijin considers that the terms of its proposal are compelling and deliver an exceptional outcome to minority shareholders in Norton.

It is intended that Zijin acquire the remaining 17.57% of outstanding shares in Norton that it doesn't own through its wholly owned subsidiary, Jinyu, for cash consideration of **$0.20** per share. Zijin also proposes to acquire or cancel all options in Norton on issue at the Effective Date of the Scheme.

The Offer Price represents a premium of 37.9% to Norton's closing share price on 13 January 2015 (being the date on which Norton, after close of trading on ASX, announced that it had received an indicative non-binding proposal from Zijin) and 48.8% to the 1 month VWAP up to 13 January 2015.

Zijin believes its Offer Price represents full and fair value for Norton's minority shareholders and provides Norton's minority shareholders with certainty of value. Furthermore, Zijin believes its all-cash Offer Price will be seen as attractive to Norton's minority shareholders given the illiquidity of Norton Shares.

Zijin is one of the largest gold producers, the second largest mineral copper producer and an important zinc, tungsten and iron ore producer in China. Zijin is listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange.

Zijin intends to generally continue Norton's current business operations in line with its strategy and continue to provide support to Norton. It also intends to not make any significant changes to the nature of Norton's current operations and intends to continue the employment of Norton's present employees.

As a Norton Shareholder, your vote is important to ensure that the Scheme is implemented so that the benefits associated with the Scheme can be delivered to you.

I look forward to having your support to the successful implementation of the Scheme.

Yours sincerely,

Lan Fusheng
Deputy Chairman, Zijin Mining Group Co., Ltd

Frequently Asked Questions

This Scheme Booklet contains detailed information on the proposed Scheme. The following Section provides summary answers to some basic questions you may have in relation to the Scheme and will assist you to locate further detailed information in this Scheme Booklet.

Question	Answer
What is a scheme of arrangement?	A scheme of arrangement is a legal arrangement between a company and its shareholders, and involves a company putting forward a proposal to its shareholders for them to consider, and, if thought fit, approve. Before a scheme of arrangement can come into effect, it must be approved by the shareholders at a meeting (usually referred to as a scheme meeting), by: • unless the Court orders otherwise, a majority in number (more than 50%) of the shareholders present and voting at the scheme meeting (either in person or by proxy, corporate representative or attorney); and • at least 75% of the total number of votes cast on the resolution at the scheme meeting by shareholders entitled to vote on the resolution. It must also be approved by the Court after that meeting. Once the scheme of arrangement is approved by the shareholders and the Court, it binds all shareholders to the proposal (including those who may have voted against it or may not have voted at all).
What is the Scheme?	The Scheme proposes that Zijin, via its wholly owned subsidiary Jinyu, will acquire all of the issued shares in Norton that it does not already own by way of a Court approved scheme of arrangement.
Will I be entitled to participate in the Scheme?	Yes, provided: • all approvals and conditions for the Scheme are satisfied or waived (as applicable); and • you are registered as a Scheme Participant as at the Scheme Record Date (currently scheduled as 3 June 2015).
What is the Scheme Consideration?	If the Scheme is approved and implemented you will receive $0.20 for each Norton share you hold on the Record Date.
When will I be paid the Scheme Consideration?	If the Scheme is approved and implemented, it is expected shareholders will be paid on the Implementation Date which is currently scheduled for 9 June 2015.
Is Zijin bound to provide the Scheme Consideration?	Yes – under the Scheme and the Deed Poll, Zijin and Jinyu, must (subject to the Scheme becoming effective) provide the Scheme Consideration to Scheme Participants on the Implementation Date (which is currently scheduled 9 June 2015). Under the Scheme, Scheme Participants appoint Norton as their agent and attorney to enforce the Deed Poll on their behalf, with such appointment to take effect upon the Scheme becoming effective.
What are the tax consequences of the Scheme for me?	Section 8 provides a general description of the Australian income tax, capital gains tax, GST and stamp duty implications for Scheme Participants who dispose of their shares. You should consult with your own tax adviser in light of your individual circumstances.
Will I have to pay brokerage?	No you will not have to pay any brokerage fees in connection with this Scheme.

Question	Answer
What will be the effect of the Scheme?	If the Scheme is approved by the Requisite Majority of Scheme Participants and the Court: • all of your Norton Shares will be transferred to Jinyu; • in exchange you will receive the Scheme Consideration for each Norton Share; and • Norton will become a wholly owned subsidiary of Zijin.
Who are the Independent Directors and what do they recommend?	The Independent Directors are Anne Bi, Noel White and Dianmin Chen. The Independent Directors unanimously recommend that you approve the Scheme by voting in favour of the Scheme Resolution in the absence of a superior proposal. Dianmin Chen holds 1,726,043 Shares and, subject to there being no Superior Proposal, intends to vote in favour of the Scheme. Jinghe Chen and Xuelin Cai are nominee directors of Zijin. Due to their association with Zijin, Jinghe Chen and Xuelin Cai are not considered independent directors of Norton and do not consider it appropriate to make a recommendation to Scheme Participants in relation to the Scheme.
What is the Independent Expert's conclusion?	Deloitte, as the Independent Expert, has concluded that the Scheme is fair and reasonable and, therefore, in the best interests of Scheme Participants in the absence of a Superior Proposal. The rationale as to why the Independent Expert has reached that conclusion are set out in the Independent Experts Report at Schedule 1.
What are the prospects of receiving a Superior Proposal	Until the Scheme is approved, there is nothing preventing another party making an unsolicited acquisition proposal to Norton. Such proposal will be heavily dependent on Zijin's position given its majority shareholding (82.43%) in Norton. If this occurs, your Independent Directors will carefully consider the proposal and inform you of any developments.
What are the Scheme Conditions?	A summary of the outstanding Scheme Conditions is set out in Section 4. The full details of the Scheme Conditions are contained in clause 3 of the Scheme Implementation Agreement (Schedule 2).
Can all the Scheme Conditions be waived?	No. The conditions relating to approval from Scheme Participants and the Court cannot be waived. The other Scheme Conditions can only be waived by the party for whose benefit the condition operates, or where both parties benefit, by consent.
Where and when will the Scheme Meeting be held?	The Scheme Meeting will be held at 2:30pm (WST) on Thursday, 21 May 2015 at Level 8, Exchange Plaza, 2 The Esplanade, Perth Western Australia.
What vote is required to approve the Scheme?	Approval of the Scheme requires at least 50% of the Scheme Participants who vote on the Scheme Resolution to vote in favour of that resolution and then their votes must be at least 75% of the total number of votes cast of the Scheme Resolution.
Is voting compulsory?	No, voting is not compulsory. However, your vote is important. If you cannot attend the Scheme Meeting, you should complete and return the proxy form enclosed with this Scheme Booklet.
Can Zijin vote?	No, neither Zijin, Jinyu nor any of their Associates can vote at the Scheme Meeting.
How do I vote?	You can vote on the Scheme by doing one of the following: • by attending and voting at the Scheme Meeting in person; • by appointing a proxy to vote on your behalf; • by appointing an attorney to vote on your behalf; • in the case of a corporation which is a Norton Shareholder, by

Question	Answer
	appointing an authorised corporate representative to attend and vote on its behalf. If you choose to vote by proxy or power of attorney, your completed proxy or power of attorney needs to be received by the Norton Registry by no later than 2.30pm (WST) on 19 May 2015.
What happens if I do not vote?	If the Scheme is approved, your Norton Shares will be transferred to Zijin in consideration for $0.20 per Norton Share. If the Scheme is not approved, Norton will remain an independent company and you will remain a Shareholder.
What happens if the Scheme Resolution is approved at the meeting?	If the Scheme Resolution is passed, Norton will apply to the Court for orders approving the Scheme. At the Second Court Date, both Norton and Zijin will provide a certificate to the Court confirming whether or not the Scheme Conditions have been satisfied or waived (if applicable).
What happens if the Scheme is approved by the Court?	If the Scheme is approved by the Court at the Second Court Date (28 May 2015), Norton will lodge the orders with ASIC on the same day following Court approval, at which time the Scheme will become effective.
When will the Scheme become effective?	It is expected that the Effective Date will be 28 May 2015. If the Effective Date has not occurred before 30 June 2015, Norton and Zijin both have a right to terminate the Scheme Implementation Agreement if they are unable to agree to extend that date. In this event, the Scheme will not proceed.
What happens after the Scheme becomes effective?	Norton Shares will be suspended from further trading on the ASX from close of trading on the Effective Date.
What happens on the Implementation Date?	On the Implementation Date, subject to Jinyu paying (or procuring payment of) the aggregate amount of the Scheme Consideration in the manner contemplated by the Scheme, Jinyu will become the holder of all Norton Shares held by Scheme Participants as at the Record Date.

1. Outline of the Scheme

1.1 Introduction

This summary identifies key features of the Scheme and must be read in conjunction with the additional detailed information for Scheme Participants set out in this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

On 6 February 2015, Norton and Zijin announced to ASX that they had entered into the Scheme Implementation Agreement under which Zijin will acquire all of the issued Shares that it does not already own by way of a Court approved scheme of arrangement, for an offer consideration of $0.20 per Share.

Under the terms of the Scheme Implementation Agreement, Zijin had the right to give by written notice to Norton nominating an alternate entity to acquire all of the Scheme Shares instead of Zijin. On 26 February 2015, Norton received notice from Zijin nominating Jinyu, a wholly owned subsidiary of Zijin, as the acquiring entity.

In accordance with the Scheme Implementation Agreement, Jinyu will acquire all of the Scheme Shares and pay the Scheme Consideration instead of Zijin. Zijin irrevocably guarantees (as a principal obligation) the due and punctual performance by Jinyu of all of its obligations under or in connection with the Scheme Implementation Agreement, the Scheme and the Deed Poll, including the payment of the Scheme Consideration. If Jinyu commits any default or breach of the Scheme Implementation Agreement, Zijin will, immediately on written demand by Norton, perform all obligations (if any) of Jinyu in accordance with the provisions of the Scheme Implementation Agreement.

1.2 Approvals required from Scheme Participants and the Court

(a) Scheme Participants

The Scheme must be approved by the Requisite Majority of Scheme Participants, being:

(1) unless the Court orders otherwise, a majority in number (more than 50%) of Scheme Participants present and voting at the Scheme Meeting (in person or by proxy), corporate representative or attorney; and

(2) at least 75% of the total number of votes which are cast at the Scheme Meeting.

(b) Court Approval

If the Scheme is approved at the Scheme Meeting, and all other conditions of the Scheme have been satisfied or (where applicable) waived, the Court will be asked to approve the Scheme on the Second Court Date in accordance with Section 411(4)(b) of the Corporations Act. The Second Court Date is expected to be on or around 28 May 2015.

1.3 What will happen if the Scheme is approved?

If the Scheme is approved by the Requisite Majority of Scheme Participants and by the Court, and if all other conditions of the Scheme are satisfied or waived (where applicable), all Norton Shares will be transferred to Jinyu with effect from the Implementation Date and without the need for any further act by Scheme Participants (other than the acts required to be performed by Norton, its Directors or officers, as agent for the Scheme Participants). From the Implementation Date, Norton will become a wholly owned subsidiary of Zijin (via Jinyu). Norton Shares are expected to be delisted from the ASX shortly after the Implementation Date.

1.4 What you will receive if the Scheme is approved

If the Scheme is approved, Scheme Participants will be paid the Scheme Consideration on the Implementation Date for the transfer of the Norton Shares held by them on the Record Date to Jinyu.

If the Scheme is approved and implemented, it is expected Scheme Consideration will be paid as follows:

(a) no later than 5.00pm on the Business Day prior to the Implementation Date, Jinyu will deposit an amount equal to the Scheme Consideration in cleared funds into a special purpose trust account; and

(b) on the Implementation Date (currently scheduled to be 9 June 2015) Norton will pay the Scheme Consideration to Scheme Participants.

1.5 Independent Director's recommendation

The Independent Directors unanimously recommend that Scheme Participants vote in favour of the Scheme, in the absence of a Superior Proposal. Each of the Independent Directors will (in the absence of a Superior Proposal) vote or cause the voting of any Norton Shares held by or on behalf of that Independent Director at the time of the Scheme Meeting, in favour of the Scheme.

The reasons to vote in favour of or against the Scheme, as considered by the Independent Directors, are set out in Section 3.

The implications for Scheme Participants if the Scheme does not proceed are set out in Section 1.8.

Before making a decision about the Scheme, Scheme Participants should read the Scheme Booklet in its entirety and if you are in doubt about what action you should take, contact your professional advisor.

The Non-Independent Directors do not make a recommendation. Zijin is unable to vote at the Scheme Meeting.

1.6 Independent Expert

Norton has engaged Deloitte as the Independent Expert to prepare a report to ascertain whether the Scheme is in the best interests of Scheme Participants. The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, in the best interests of Scheme Participants.

The full report can be found in Schedule 1 of this Scheme Booklet.

1.7 Implementation, timetable and procedures

If the Scheme is approved by Scheme Participants and the Court, and all other conditions to the Scheme are satisfied or (where applicable) waived, it is expected that the Scheme will be implemented on 9 June 2015. The key dates and times in relation to the Scheme are set out at the beginning of this Scheme Booklet. These key dates are indicative only and subject to change.

1.8 Consequences if the Scheme is not approved at the Scheme Meeting or is not approved by the Court

If the Scheme is not approved by the Requisite Majority of Scheme Participants at the Scheme Meeting or, having been approved at the Scheme Meeting, is not approved by the Court, Jinyu will not acquire your Norton Shares under the Scheme and you will not receive Scheme Consideration. In addition, if the Scheme does not proceed:

(a) Norton will continue to be listed on the ASX;

(b) decisions in relation to the future of Norton will continue to be made by the Norton Board; and

(c) Norton will continue to be exposed to the risk factors outlined in Section 8.

The Independent Directors believe that if the Scheme is not approved, then the price of the Shares may fall.

If the Scheme does not proceed, the Norton Board intends to continue to operate Norton as a listed public company. Norton will continue to pursue its operational and strategic growth objectives focused on the creation of value for all Shareholders.

If the Scheme does not proceed, the Norton Board has not formed any plans to make any significant changes to the business of Norton and in particular:

(a) there will not be any immediate impact on Norton employees. Norton intends to use its best endeavours to retain its current employees and employees of its subsidiary entities;

(b) to the extent economically feasible, there will not be any immediate impact on the Company's mining operations; and

(c) there will not be any immediate impact on Norton's suppliers and contracting partners, other than there will be a greater focus on cost reduction programs in all areas of operations.

The Independent Directors have confidence in Norton's future as an independent entity.

Despite the confidence of the Independent Directors in the future of Norton as an independent entity if the Scheme does not proceed, they nonetheless believe that the Scheme is in the best interests of Scheme Participants including having regard to the Independent Expert's Report, in the absence of a Superior Proposal. As at the date of this Scheme Booklet, no Superior Proposal has emerged.

For further details, please refer in particular to pages 3 to 6 of the Independent Expert's Report (set out in Schedule 1).

1.9 Conditions to the Scheme

Implementation of the Scheme is subject to a number of outstanding conditions precedent that are summarised in Section 4.

Details of the conditions to the Scheme that have been satisfied or waived at the date of this Scheme Booklet are set out in Section 4. A description of all of the conditions to the Scheme is included in the Scheme Implementation Agreement in Schedule 2 of this Scheme Booklet.

1.10 Scheme Meeting

The Scheme Meeting to approve the Scheme is scheduled to be held at Level 8, Exchange Plaza, 2 The Esplanade, Perth Western Australia on 21 May 2015 at 2:30pm (WST). Voting eligibility for the Scheme Meeting will be determined as at 5pm (WST) on 19 May 2015.

Further details on the Scheme Meeting, including how to vote, are contained in Section 2. The Notice of Scheme Meeting is contained in Schedule 5 of this Scheme Booklet.

1.11 Tax consequences for Scheme Participants

The transfer of your Norton Shares in accordance with the Scheme may have tax implications for you. You should seek your own professional advice regarding your individual tax consequences. A summary of the relevant Australian tax implications for Scheme Participants is contained in Section 8.

1.12 What to do next

Read the remainder of this Scheme Booklet in full before making any decision on the Scheme.

Scheme Participants should refer to Section 3 for further guidance on reasons to vote in favour or against the Scheme and Section 7 for guidance on the risk factors associated with the Scheme.

2. Scheme Meeting and Voting Information

2.1 Read this Scheme Booklet carefully

This Scheme Booklet provides information necessary for you to make a decision as to how to vote on the Scheme at the Scheme Meeting. The Independent Directors recommend that you read this Scheme Booklet in its entirety.

2.2 Scheme Meeting

The Scheme Meeting is scheduled to be held at Level 8, Exchange Plaza, 2 The Esplanade, Perth Western Australia on 21 May 2015 at 2:30pm (WST).

At the Scheme Meeting, the Scheme Resolution will be proposed to the Scheme Participants.

2.3 Exercising your vote

Scheme Participants may vote by attending the relevant Scheme Meeting in person, or by proxy, attorney or, in the case of a corporation which is a Scheme Participant, by a corporate representative.

2.4 Voting in person

To vote in person at the Scheme Meeting, you must attend the Scheme Meeting.

Scheme Participants who wish to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting upon disclosure of their name and address at the point of entry to the Scheme Meeting.

2.5 Voting by proxy

If you wish to appoint a proxy in respect of the Scheme Meeting, you are requested to complete and sign the original loose leaf proxy form sent to you with this Scheme Booklet.

Proxy forms should be sent to the Registry as indicated on the proxy form and must be received by the Registry not less than 48 hours before the time for holding the Scheme Meeting or adjourned meeting as the case may be.

A proxy will be admitted to the Scheme Meeting upon providing at the point of entry to the Scheme Meeting written evidence of their name and address.

The sending of a proxy form will not preclude a Scheme Participant from attending in person and voting at the Scheme Meeting which the Scheme Participant is entitled to attend and vote.

2.6 Voting by attorney

Powers of attorney and authorities should be sent to the Registry as indicated in the proxy form and must be received by the Registry by no later than 2.30pm (WST) on 19 May 2015.

An attorney will be admitted to the Scheme Meeting upon providing written evidence of their appointment, their name and address and the identity of the appointer at the point of entry to the Scheme Meeting.

The sending of the power of attorney will not preclude a Scheme Participant from attending in person and voting at the Scheme Meeting at which the Scheme Participant is entitled to attend and vote.

2.7 Voting by corporate representative

To vote at the meeting (other than by proxy or attorney), a corporation that is a Scheme Participant must appoint a person to act as its representative. The appointment must comply with Section 250D of the Corporations Act.

An authorised corporate representative will be admitted to the Scheme Meeting upon providing at the point of entry to the Scheme Meeting written evidence of their appointment including any authority under which it is signed, their name and address and the identity of their appointer.

2.8 Voting entitlement

Each Scheme Participant who is registered on the Register at 5pm (WST) on 19 May 2015 is entitled to attend and vote at the Scheme Meeting. Accordingly, registrable transmission applications or transfers registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

In case of Shares held by joint holders, only one of the joint holders is entitled to vote. If more than one holder votes in respect of jointly held Shares, only the vote of the holder whose name appears first in the Register will be counted.

2.9 Further information

If you have any questions or require further information, please contact the Company Secretary of Norton on + 61 8 9263 9700.

If you are in any doubt about anything in this Scheme Booklet, please contact your legal, taxation, financial or other professional advisor.

3. Reasons to vote for or against the Scheme

3.1 Introduction

This Section is a summary only and is not intended to address all of the relevant issues for Scheme Participants. Scheme Participants should read the Scheme Booklet in its entirety. This Section should be read in conjunction with other Sections of this Scheme Booklet.

In reading this Section, you should note that in the absence of a Superior Proposal for Norton, your Independent Directors unanimously recommend that you vote in favour of the Scheme.

3.2 Possible reasons to approve the Scheme

Set out below is a summary of why you might approve the Scheme, by voting in favour of the Scheme Resolution:

Independent Directors recommendation and vote	Your Independent Directors unanimously recommend that you vote in favour of the Scheme and the Independent Directors who hold Norton Shares intend to vote the Norton Shares they own or control in favour of the Scheme, in each case in the absence of a Superior Proposal for Norton.
The Independent Expert has concluded that the Scheme is in your best interests	The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, in the best interests of Scheme Participants. A copy of the Independent Expert's Report is contained in Schedule 1 of this Scheme Booklet.
The value of the Scheme Consideration represents a substantial premium over the pre-announcement trading prices of Norton Shares	The cash consideration of $0.20 per Norton Share represents a substantial premium to the historical trading price of Norton shares, as set out below: • 37.9% premium to the closing share price on 13 January 2015 (being the date on which Norton, after close of trading on ASX, announced it had received an indicative non-binding proposal from Zijin). • 48.8% premium to the 1 month volume weighted average price of $0.134 up to 13 January 2015. • 50.3% premium to the 3 month volume weighted average price of $0.133 up to 13 January 2015. • 51.7% premium to the 12 month volume weighted average price of $0.132 up to 13 January 2015.
The Scheme represents a liquidity opportunity for Scheme Participants	The Scheme is an opportunity for all Scheme Participants to realise their investment in Norton at a premium to the prevailing price of Norton Shares on the ASX as at the date of announcement of the proposal for the Scheme.
The Scheme provides you with the value of certainty of cash	The cash consideration of $0.20 per Norton Share which is being offered to Scheme Participants provides certainty of value and timing. In contrast, if the Scheme does not proceed, the amount which Scheme Participants will be able to realise for their Norton Shares in terms of price, will necessarily be uncertain and subject to a number of risks outlined in Section 7 of this Scheme Booklet.

No superior proposal has emerged or is likely to emerge	The proposed transaction has been widely publicised since its announcement on 13 January 2015 and no Superior Proposal has emerged. Furthermore, as noted by the Independent Expert, as Zijin holds an 82.43% controlling interest in Norton any alternative offer would be unsuccessful without Zijin's support and in these circumstance it is highly unlikely that any Superior Proposal will be received.
Norton's Share price is likely to fall if the Scheme is not implemented	The price at which Norton Shares have traded in the market since the announcement of the Scheme have been supported by the market expectation that the Scheme will be successfully implemented. As such, the Independent Directors expect that if the Scheme is not approved and no Superior Proposal emerges, Norton Shares are likely to trade at levels below current trading levels (and the Scheme Consideration).
No brokerage or stamp duty will be payable by you on the transfer of you Norton Shares under the Scheme	Scheme Participants will not be required to pay any brokerage or other costs in connection with the disposal of their Norton Shares under the Scheme.

3.3 Possible reasons not to approve the Scheme

Set out below is a summary of why you might not approve the Scheme, by voting against the Scheme Resolution:

You may disagree with the Independent Directors and Independent Expert	You may disagree with the Independent Directors and the Independent Expert and believe that the Scheme is not in your best interests.
If the Scheme proceeds, you will no longer be a Scheme Participant	If the Scheme proceeds you will no longer be a Norton Shareholder and you will not participate in any potential upside that may result from being a Norton Shareholder (including Norton's interests in producing and development gold assets).
You may wish to maintain your investment with Norton	You may wish to maintain your investment in Norton even though the Norton Share price may fall if the Scheme is not approved.
Although considered to be unlikely in the near term, a Superior Proposal for Norton may materialise in the future if Norton were to continue as an independent company	Although considered unlikely by the Independent Expert, it is possible that a Superior Proposal for Norton, which could be more attractive to Scheme Participants than the Scheme, may materialise in the future. The implementation of the Scheme would mean that Scheme Participants would not obtain the benefit of any such proposal. The Norton Board is not currently aware of any such proposal and notes that since Zijin and Norton announced the Scheme, there has been a significant period of time and ample opportunity for a Superior Proposal for Norton to emerge. Norton also notes that the success of any alternative proposal would be heavily dependent on Zijin's position given their current majority holding of 82.34%.
You may prefer Norton to be exposed to the opportunity	You may believe that Norton will deliver greater returns to Scheme Participants, including the potential for

for increased value by remaining as an independent company	dividend returns over a long term by remaining an independent company. Norton's business is highly capital intensive and as such the prospect of the Company moving to a position of regular dividend payments is not considered by the Independent Directors to be high. In assessing and recommending the Scheme, your Independent Directors evaluated the benefits and risks of Norton continuing as an independent company against its other strategic alternatives. In deciding that they should recommend the Scheme, your Independent Directors determined that, on balance, the earlier and more certain value represented by the Scheme may be more favourable to Scheme Participants than the options and risks that might otherwise be available to or faced by Norton Shareholders if Norton were to remain as an independent company. Refer Sections 1.8 and 6.11 regarding Norton continuing as an independent company should the Scheme not proceed.
The tax consequences of the Scheme may be adverse to your own financial position	If the Scheme is implemented, this may trigger taxation implications for you earlier than would have otherwise been the case. You should carefully read the taxation considerations outlined in Section 8 and seek professional taxation advice with respect to individual taxation situations.

4. Scheme conditions

4.1 Outstanding Scheme Conditions

The implementation of the Scheme is subject to a number of Scheme conditions which are set out in full in Section 3.1 of the Scheme Implementation Agreement (contained in Schedule 2).

The Scheme conditions that remain outstanding as at the date of this Scheme Booklet are summarised as follows:

(a) ASIC and ASX issue or provide such consents, approvals or waivers or do such other acts which Zijin determines are necessary or desirable to implement the Scheme and such acts are not withdrawn, including in the case of ASIC, providing the statement required under Section 411(17)(b) of the Corporations Act.

(b) all other Regulatory Approvals which are necessary to implement the Scheme are obtained.

(c) no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition being in effect which prevents the consummation of any aspect of the Scheme.

(d) the representations and warranties of Norton being materially true and correct.

(e) the representations and warranties of Zijin being materially true and correct.

(f) no Material Adverse Change occurring or becoming apparent.

(g) no Prescribed Occurrence occurring.

(h) the Independent Expert, having issued its report which concludes that the Scheme is in the best interests of Scheme Participants, not changing its conclusions or withdrawing its report.

(i) Scheme Participants approving the Scheme by the necessary statutory majorities at the Scheme Meeting (or any adjournment or postponement of the Scheme Meeting).

(j) the Court approving the Scheme under Section 411(4)(b) of the Corporations Act and an office copy of the Scheme Order being lodged with ASIC.

(k) all outstanding Options:

  (1) having vested and been exercised;

  (2) having been lapsed;

  (3) in the case of OPT1, being either cancelled or transferred to Zijin or Zijin's nominee (as applicable) pursuant to the Cancellation Deed; or

  (4) otherwise being dealt with as agreed between the parties.

(l) Zijin obtaining all approvals, consents, authorisations, registrations and filings as required in connection with the Scheme from the State Administration of Foreign Exchange and the Ministry of Commerce of PRC, and /or at their provincial or municipal departments or counterparts.

Each of the Scheme Conditions (with the exception of Court approval) must be satisfied or (if applicable) waived before 8:00am on the Second Court Date. The Scheme Conditions relating to approval of the Scheme Participants and the Court cannot be waived. If these Scheme

Conditions are not satisfied the Scheme will not proceed. The other Scheme Conditions may be waived by the party for whose benefit the condition operates, or where the condition operates for the benefit for both parties, by consent.

As at the date of this Scheme Booklet, the Directors are not aware of any reason why a Scheme Condition referred to above is not likely to be satisfied in the time required by the Scheme Implementation Agreement.

4.2 Scheme Conditions that have already been satisfied

As at the date of this Scheme Booklet, the following Scheme Conditions have been satisfied:

(a) The Independent Expert has concluded that the Scheme is in the best interests of Scheme Participants. A copy of the Independent Expert's Report is contained in Schedule 1;

(b) The application made to the Court for orders under Section 411(1) of the Corporations Act that a Scheme Meeting be convened has been approved;

(c) The Foreign Investment Review Board has provided notice in writing (without any term of condition which Zijin considers unacceptable) stating that in terms of Australia's Foreign Investment Policy, the Australian Government does not object to Zijin acquiring the Scheme Shares pursuant to the Scheme;

(d) Zijin has obtained the required approval from the National Development and Reform Commission in the PRC;

(e) ASX has granted Norton a waiver from Listing Rule 6.23.2 to allow for the cancellation of the OPT1 Options without the need to obtain Scheme Participant's approval. See Section 9 for further information on the OPT1 and OPT2 options.

5. Information about Norton

5.1 Corporate Profile - Norton

Norton is a gold producer with its primary mining and processing complex, collectively called the Paddington Operations, in Western Australia's world class Kalgoorlie gold region, along with a strong pipeline of brownfields and greenfields exploration projects.

Gold Mineral Reserves of 1.11Moz and Mineral Resources of 10.35Moz come from across a tenement package of 1,105km2. Norton expects to grow its ore reserve and mineral resource base through organic growth, upgrading the 3.3Mtpa Paddington Mill to increase throughput, introducing new technologies and potentially further acquisitions. Norton is one of Australia's largest domestic gold producers, with annual production to 31 December 2014 of 178,269 ounces. In addition to the Paddington Operations, Norton has a suite of development assets, including Bullabulling and Mt Morgan.

(a) Paddington

Gold Ore Reserves of 1.11Moz and Mineral Resources of 7.0Moz come from across a tenement package of 731km^2.

(b) Bullabulling

The Bullabulling Gold Project is located 70km south-west of Kalgoorlie and consists of the Bullabulling and Gibraltar gold deposits. The Bullabulling tenement package covers a total area of 204km^2 and includes a measured, indicated and inferred mineral resource of approximately 3.22 Moz.

(c) Mt Jewell

In November 2014, Norton acquired the Mt Jewell asset (a tenement package of 325km^2) from KalNorth Gold Mines (**KGM**).

The Hughes and Tregurtha deposits are the two main prospects at Mt Jewell. Both deposits were well advanced with respect to exploration when acquired by KalNorth in May 2012.

The currently defined Indicated and Inferred Mineral Resource is 3.15Mt at 1.32g/t Au (134,000oz). A Reserve of 1.18Mt @ 1.40g/t (53,000oz) is reported for the Tregurtha and Hughes deposits.

Norton is listed on ASX with a market capitalisation, as at 7 April 2015, of approximately $186.4 million.

Detailed information about Norton is available on its website www.nortongoldfields.com.au and on ASX's website www.asx.com.au (ASX: NGF).

5.2 Summary of Norton's operations

(a) Paddington Operation

(1) Overview

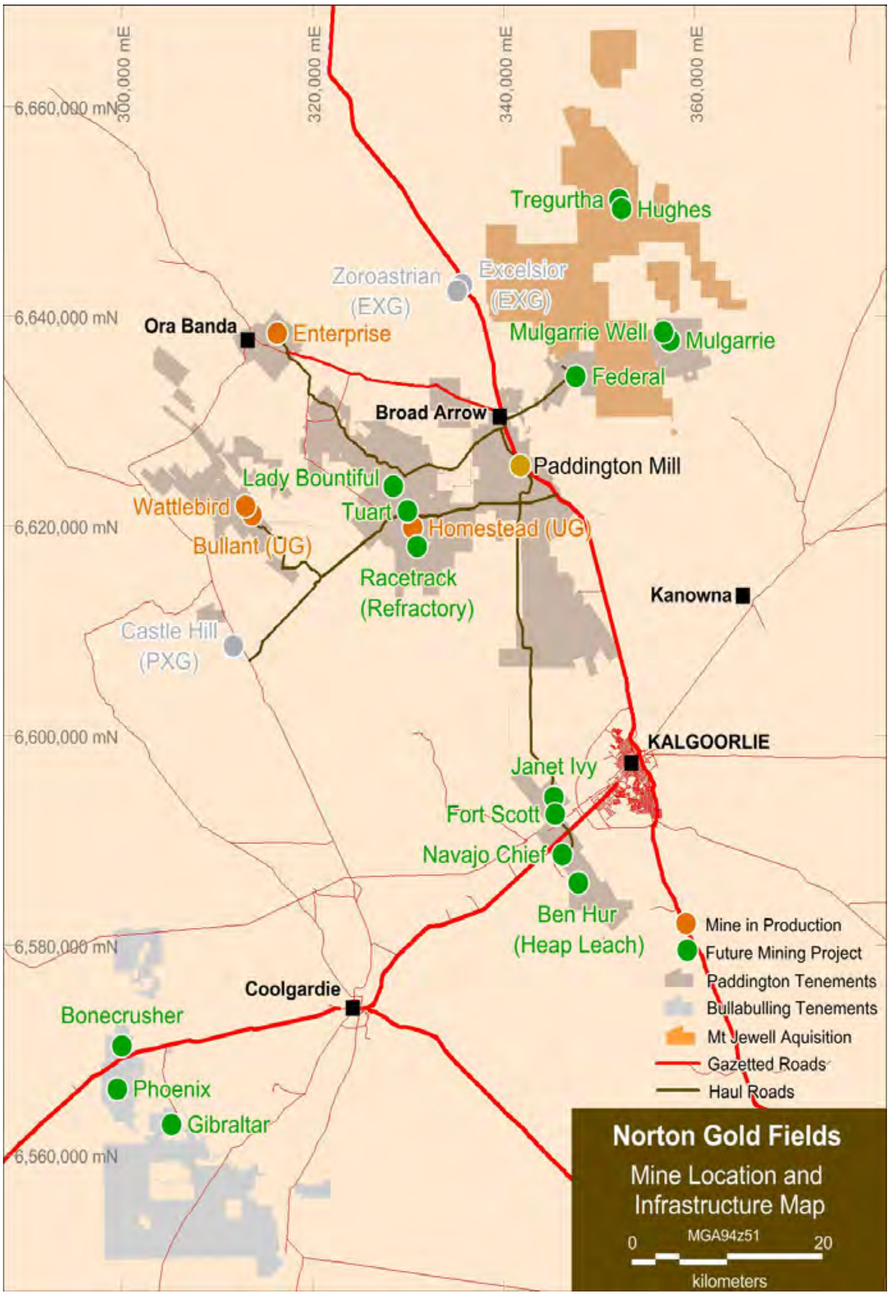
The Paddington Operations include a highly prospective tenement package within the Kalgoorlie gold province, centred around the Paddington Mill, and is contiguous with the newly acquired Mt Jewell package. The currently defined resource areas at Mt Jewell are located within 40km of the Paddington Mill.

The Company's mining strategy remains focused on large base-load open pit mines, Enterprise and Wattlebird, in combination with the high-grade underground mines, Homestead and Bullant.

The project area includes Proven and Probable Ore Reserves of 1.11Moz and mineral resources of 7Moz surrounding the 3.3Mtpa Paddington Mill.

The Paddington Operations currently have a mine life in excess of ten years, with considerable exploration upside from more than 80 known prospects across its tenement package.

Paddington Operation Map



(2) Processing

Norton operates the Paddington Mill, located 35 kilometres north of Kalgoorlie and in close proximity to Norton's mining operations. The 3.3Mtpa plant is based on conventional carbon-in-pulp technology. It comprises a cone crusher, a ball and SAG mill grinding circuit, gravity recovery and cyanide leaching. The Paddington Mill is the central hub for Norton's gold processing operations in the Goldfields region.

Enterprise became the new base-load ore source for the Paddington Mill at the end of March 2014. Throughput was increased significantly above nameplate capacity, and contributed to a new record for tonnes milled with an annual throughput of 3.72 million tonnes at an average throughput rate of 451tph.

Excellent mill availability of 94.2% was achieved for 2014.

Mill feed ore head grade was 1.68 g/t of gold from a mixture of open cut and underground sources. Gold recovery was 89% for production for the year of 178,269oz.

Cost savings were realised in reagent use due to a number of metallurgical projects planned and implemented throughout the year as well as significant unit price reductions on several key reagents.

Paddington Mill Ore Processing, 12 months to 31 December 2014

Ore Processing	Q1	Q2	Q3	Q4	2014
Ore milled (kt)	880	933	976	935	3,725
Feed grade (g/t)	1.49	1.59	1.71	1.90	1.67
Recovery (%)	91%	89%	88%	88%	88.9%
Gold production (oz)	38,600	42,323	46,947	50,398	178,269

(3) Open Pit Mining

In 2014 operations focused on pre-stripping the Stage 2 Enterprise open pit mine and the completion, in April 2014, of the Green Gums and Golden Flag open pit mines, both within the Mt Pleasant region. The Mt Pleasant mining fleet was utilised at Enterprise until August 2014 when the Wattlebird open pit mine, located near the Bullant underground mine, commenced operations to supplement oxide feed for the mill.

The Enterprise mine commenced operations on 2 May 2013 with Ore production from Stage 1 providing base load feed to the mill for most of CY2014 while the second mining fleet was completing pre-strip in stage 2 for most of 2014. Stage 3 pre-stripping of Enterprise commenced in July 2014.

Green Gums and Golden Flag are smaller projects within the Mount Pleasant camp (18kms south-west of the Paddington Mill). The Green Gums pit provided 208,905 tonnes of ore for 6,464 mined ounces of gold in 2014 with mining completed in April 2014. The Golden Flag pit provided a total production of 461,595 tonnes of ore for 23,795 mined ounces of gold. Golden Flag was also completed in April 2014. Since commencing production in Q3 2014, Wattlebird has produced 169,565 tonnes of oxide ore for 6,587 mined ounces.

Total material moved for the 2014 year was 11,572,000 bank cubic metres. The relative decrease in volume movement from previous years can be attributed to restricted work areas due to completion of Enterprise Stage 1, Golden Flag and Green Gums open pits during the year, and Enterprise Stage 2 moving into fresh rock in the second half of the year.

Open Pit Mining, 12 months to 31 December 2014

Open Pit	Q1	Q2	Q3	Q4	2014
Volume mined (kbcm)	2,288	2,864	2,808	3,621	11,581
Ore tonnes (kt)	1,300	701	559	414	2,974
Mine grade (g/t)	1.17	1.33	1.45	1.52	1.31

(4) Underground Mining

Norton's underground mining operations are centred around the Homestead Mine. The Homestead Mine is part of the Mount Pleasant gold camp, located 18 kilometres south west of the Paddington Mill and 35 kilometres north east of Kalgoorlie.

In 2014 both Homestead and Bullant exceeded ounce production expectations with a record combined total of 71,683 ounces produced.

The Bullant project commencement experienced some early delays in equipment mobilisation and recruitment. The shortfall in the first two quarters was made up in the second and third quarters, finishing the year ahead of plan. Successful development of the East and main lode led to an extension in production through the final quarter of the year, contributing to the increased ounces produced.

The mined grade dropped with lower grade development and stoping being added from Bullant, and a reduction in grade mined in the Black Flag West vein as stoping moves lower in the orebody.

Cost reduction and productivity improvement remained the key focus for the underground operations. Homestead moved into a stoping intensive regime producing increased tonnes to compensate for reducing grades.

In 2015 underground exploration will continue focusing on potential extensions to Black Flag West Vein and extensions to the Main Lode and East Lode at Bullant.

The extension of exploration at Bullant and incremental extensions to the Homestead mining plan has prolonged development at both mines.

Underground Mining, 12 months to 31 December 2014

Underground	Q1	Q2	Q3	Q4	2014
Ore tonnes (kt)	80	88	113	112	393
Mine grade (g/t)	5.21	5.76	5.86	5.77	5.68
Ore development (m)	1,190	1,183	1,077	929	4,317
Capital development (m)	92	520	657	502	1,771

(b) Bullabulling Project

The Bullabulling Gold Project is located 25 kilometres to the west of Coolgardie, conveniently close to established power, water and road infrastructure. Its licence area straddles the main Perth – Kalgoorlie highway, and lies around 70km to the south west of Kalgoorlie. Bullabulling comprises a sizeable project area – 204km² – which is held in a series of granted mining leases, prospecting licences and exploration licences.

Historically, Bullabulling was a near-surface open pit gold mining producer in the 1990's. Production ceased in 1998 with ownership of major plant and equipment transferred to a previous owner. While the mining infrastructure was removed, Bullabulling maintained its Mining Lease status under its new owner who ran small scale production based on previously mined ore. A continuous mining licence provides an opportunity to fast-track the mine back into production. Additionally, there are no native title issues on the main areas due to the maintained production history.

The orebody itself is a large tonnage, low grade gold deposit with mineralisation hosted in a series of stacked north-south trending shears which dip typically to the west at about 30^{o} to 40^{o}. The mineralised zones can be up to several hundred metres thick, extending down dip for up to 500m and have a strike length of about 8 km. The mineralisation at low cut-off grades show great continuity while the higher grade mineralisation is scattered in semi-continuous to discontinuous lenses within the continuous low grade halo.

In 2013, Bullabulling Gold Limited (acquired by Norton in 2014) completed a mining optimisation study to advance the work completed in the 2012 Pre-feasibility Study. The optimisation study resulted in upgrades to the Bullabulling Mineral Resource and the release of a mine production forecast of 94.7 million tonnes at 0.84 g/t for 2.56 million ounces of contained gold.

A Feasibility Study is presently underway into the establishment of a 7.5 million tonne per annum operation. There are a number of major areas in the Feasibility Study that are complete, or are currently in progress, as outlined below:

- Owner mining study into the proposed mining fleet options and mining method
- Ore loss and dilution, and blasting studies
- Open pit geotechnical and pit hydrogeology studies
- Borefield desktop hydrogeology study
- Fauna and flora impact studies
- Archaeological study
- Preliminary geotechnical evaluation of proposed tails storage sites
- Power studies into accessing the South West Interconnected System
- Metallurgical test-work programs

An open pit hydrogeology study was conducted by drilling eight RC holes to investigate the proposed mining areas to determine dewatering conditions. A palaeochannel desktop study of the water resource was also performed to determine the supply of bore water that can be accessed from the existing and any extension to the borefield for processing requirements.

A number of metallurgical test-work programs commenced in 2014:

- Potential for energy savings and gold recovery improvements through the application of flotation in processing (completed).
- Evaluation of the potential to reduce reagent consumption (lime and cyanide) through the use of nano filtration of process water (ongoing, part of the Feasibility Study test work).
- The Feasibility Study test-work program commenced in October 2014 based on ten diamond holes drilled in April 2014, to provide a representative set of samples for the test work program (underway).

The open pit geotechnical study was completed, defining the key set of slope design parameters for use in the mine design. The slope designs are based on the anticipated ground conditions and acceptable risk profile determined from the test work results.

5.3 Norton portfolio overview

(a) Resource Development and Exploration

(1) Overview

The Paddington Operation comprises several geographically and geologically distinct project areas.

Current mining operations are located at Mt Pleasant (Homestead Underground Mine), Carbine (Bullant Underground Mine and Wattlebird Open Cut Mine) and Ora Banda (Enterprise Open Cut Mine).

Significant areas of resource and reserve inventory include Mt pleasant (Homestead, Tuart and Racetrack), Ora Banda (Enterprise), Binduli (Navajo Chief, Janet Ivy and Ben Hur), Golden cities (Federal) and Carbine (Bullant and Wattlebird).

Mineral Resources 31 December 2014 (including Mt Jewell

Project	2014		
	Mt	Au g/t	Ounces Au
Golden Cities	11.0	1.78	630,000
Ora Banda	17.8	1.86	1,063,000
Mount Pleasant	23.7	2.42	1,844,000
Lady Bountiful	6.77	1.76	382,000
Mulgarrie	3.12	2.09	210,000
Binduli	74.9	0.90	2,174,000
Carbine	7.67	2.52	621,000
Mt Jewell	3.15	1.32	134,000
Stockpiles	3.43	0.72	79,000
Total Mineral Resources	151	1.47	7,138,000

(b) Resource Development Strategy

Norton's resource development strategy for the Paddington Operation focuses on large, relatively long-term, base-load open pit deposits to supply the bulk of ore feed to the 3.3Mtpa nameplate capacity Paddington processing plant, supplemented by high-grade underground ore, and small, relatively higher-grade open cut mining projects.

Norton is evaluating its mineral resources available for development and potential future base-load open pit projects including:

- Federal (4,650,000t @ 2.06g/t Au for 309,000oz);
- Tuart (4,550,000t @ 1.75g/t Au for 256,000oz); and
- Janet Ivy (10,300,000t @ 1.00g/t Au for 331,000oz).

The pipeline of high-grade underground projects is focused around Homestead and the Mount Pleasant gold camp, where there are also a number of small, high-grade, open cut mining projects. The Company holds the following mineral resources within its tenement package, among its strong pipeline of future underground projects:

- Tuart (910,000t @ 6.39g/t Au for 187,000oz)
- Federal (200,000t @ 5.36g/t Au for 35,000oz)
- Golden Kilometre (762,000t @ 4.17g/t Au for 102,000oz)

(c) Other Projects

Mount Morgan Gold and Copper Project

Mount Morgan is a gold and copper tailings project located 38km south-west of Rockhampton in Queensland.

Mount Morgan was mined and produced gold and copper on site from 1883 to 1981, and for a time was the largest gold mine in the world. Between 1981 and 1991, 28Mt of tailings were re-treated before operations were suspended due to low gold prices and high cyanide costs. Norton has 30 mining leases of around 677 hectares that cover the old workings. An agreement between Norton and the Queensland Department of Natural Resources and Mining defines the responsibilities between the organisations for rehabilitation of the disturbed area.

In April 2014 Norton entered into a farm-in agreement with Carbine Resources Limited (**Carbine**), for Carbine to acquire 100% of the Mount Morgan and Many Peaks projects by staged payments to Norton. The first payment to Norton was $100,000 on signing, a second payment of $100,000 to exercise a right to mine, with a further $300,000 due in June 2015 if Carbine wish to proceed with researching and developing the project. A further payment of $2 million is required to acquire the mining leases and the two projects. Carbine has agreed to pay Norton a capped $12.5 million for 20% of the earnings before interest, tax, depreciation and amortisation.

Carbine carried out a scoping study based on previous feasibility study results and samples, and in November 2014 concluded that using their process flow design at 1Mtpa the project had robust economics with a minimum eight year mine life. Carbine is drilling the tailings dumps in order to gain fresh sample for testing and to increase the percentage of Indicated Resources for the project.

The existing JORC 2004 compliant Indicated Resource is 2.49Mt @1.60g/t Au and an Inferred Resource of 5.86Mt @1.07g/t Au. Norton estimated that an additional mineral inventory of more than 4Mt should be able to be sourced from former mine waste material.

The Many Peaks Copper Project, located 150 kilometres south of the Mount Morgan Mine has been included in the farm-in with Carbine as described above. Many Peaks produced over 500,000 tonnes of copper ore from mining operations from the early 1900's.

5.4 Interests in other companies

In August 2014, Norton notified Phoenix Gold Limited (**Phoenix**) (ASX: PXG) of its exercise of the option to enter into mine and treat agreements in respect of Phoenix's Mick Adams-Kiora and Wadi projects (**Phoenix Projects**). Norton and Phoenix have been working to conclude the terms by which the parties could develop and mine the Phoenix Projects.

In January 2015, Norton acquired a relevant interest of 10.77% in Phoenix shares (as at the date of the Scheme Booklet such interest has diluted to 9.9%).

5.5 Directors of Norton

The Directors of Norton at the date of the Scheme Booklet are as follows:

Mr Jinghe Chen – Non-Executive Chairman
B. Sc., BAppSC (Geology), EMBA

Mr Chen graduated from Fuzhou University with a bachelor's degree in geology and obtained an EMBA. He is a professor grade senior engineer, a specialist who enjoys special allowance from the State Council, a delegate to the 12th People's Congress of Fujian Province and the vice president of China Gold Association. Mr Chen has served as Zijin's chairman since 2000. From August 2006 to November 2009, he also served as the President of Zijin.

Dr Dianmin Chen – Managing Director, Chief Executive Officer
B.Sc., PhD

Dr Chen holds a Bachelor of Science (B.Sc.) degree in Mining Engineering from the Central South University of China and a PhD in Mining Geomechanics from the University of Wollongong of Australia.

After obtaining his B.Sc. in 1982, Dr Chen worked as a mining engineer in China. Dr Chen joined Northparkes Mines of Rio Tinto in Australia in 1994. He was with Barrick Gold Corporation for 10 years working progressively to senior roles in various projects and operations in Australia. Subsequently, Dr Chen was the Deputy General Manager and then the Executive Director and General Manager in Sino Jinfeng Mining Ltd, a subsidiary of Sino Gold Corporation (now Eldorado Gold Corp), from 2007 to 2009, where he was responsible for all aspects of mining operations and management for the Jinfeng Gold Mine located in Guizhou Province, China.

In 2009, Dr Chen was the Chief Operating Officer of CITIC Pacific Mining Management Ltd, in which he was responsible for the development of a large magnetic iron ore mine in Western Australia. Dr Chen was the Vice President of Operations at Minco Silver Corporation in 2010. Prior to joining Norton, Dr Chen was the Executive Director and Chief Operating Officer of CaNickel Mining Limited.

Ms Anne Bi – Non-Executive Director
B.Bus (Tourism)

Ms Bi has a Bachelor's Degree in Business from the Nanjing Institute, China.

Ms Bi is a successful company director and entrepreneur with more than 20 years' experience in investment and business. Over the last six years Ms Bi has been involved in the development of commercial and residential property projects in Australia with value in excess of $300 million, in addition to being involved in a series of cornerstone investments in the resources sector – including Norton.

Ms Bi has extensive philanthropic interests.

Dr Noel White – Non-Executive Director
B.Sc., PhD

Dr White is a geologist with more than 45 years' experience in mineral exploration, operations and project generation work worldwide, with experience in a wide range of commodities. He was the Chief Geologist Exploration for former BHP Minerals, and has visited over 350 ore deposits/mines in 55 countries. Dr White was a consultant to the World Bank Group on their evaluation of Asian mineral potential. Since 2004, he has served as director of various resource focussed companies in Canada and Australia. He has a strong involvement with professional societies and universities worldwide, has served on editorial boards of several leading journals and has authored and co-authored various publications. Dr. White received a Bachelor of Science from the University of Newcastle and his PhD from the University of Tasmania. He is an Honorary Research Professor at the University of Tasmania, Adjunct Professor at the University of Queensland, Adjunct Professor at James Cook University of North Queensland, Distinguished Professor at Hefei University of Technology, Guest Professor at China University of Geosciences, Beijing and Visiting Professor at Fuzhou University.

Ms Xuelin Cai – Non-Executive Director
CPA

Ms Cai holds a Bachelor's Degree in Economics and a Juris Master from Ziamen University of China. She is a member of CPA Australia, AICPA, ACCA and CICPA. Ms Cai was awarded a certificate of China TOP CFO by the Ministry of Finance China.

Ms Cai previously served as director and chief Financial Officer of the Asian operations of a leading German-based sanitation multinational company, focusing on the strategic management of capital. Ms Cai has over 12 years' audit experiences as a CPA, providing professional services particularly in the fields of financial reporting, internal control, technical support and professional training for various industries and a number of listed companies in China, Hong Kong and Germany, where she worked for Deloitte Touche Tohmatsu and one of the top 10 China CPA firm.

5.6 Financial profile of Norton

As reported in Norton's full year audited financial report for the year ended 31 December 2014 (released to the ASX on 30 March 2015), as at 31 December 2014, the Norton Group had net assets of $168.050 million.

As at 31 December 2014, Norton had $19.242 million cash and cash equivalents.

As reported in Norton's full year audited financial report for the year ended 31 December 2014, for the financial year ended 31 December 2014, the Norton Group achieved total revenue of approximately $243.443 million and total profit before tax of approximately $14.798 million.

5.7 Capital Structure of Norton

As at the date of this Scheme Booklet, there are 931,850,665 Norton Shares on issue.

In addition Norton has:

(a) 8,000,000 unlisted options exercisable at $0.241 per share on or before 22 August 2017 (**OPT1 Options**); and

(b) 72,246,764 options exercisable at $0.27 per share on or before 30 April 2015 (**OPT2 Options**).

Norton's major shareholder is Zijin's wholly owned subsidiary, Jinyu, with an 82.43% interest.

For further information on the key Norton Shareholders, refer to section 2.6.1 of the Independent Expert's Report which can be found in Schedule 1 of this Scheme Booklet.

5.8 Further information on Norton

Further information about Norton's operations and assets can also be found in the Independent Expert's Report contained in Schedule 1, and particularly, the Technical Specialist Report contained within the Independent Expert's Report.

Further information about Norton can be found on the ASX website (www.asx.com.au, ASX:NGF), or alternatively Norton's website (http://www.nortongoldfields.com.au).

6. Information about Zijin and Jinyu

6.1 Corporate Profile of Zijin

Zijin is a large international Chinese mining company, incorporated as a joint stock limited company in September 2000 in the PRC. Its head office is in Shanghang County, Fujian Province, PRC.

Established as the Shanghang County Mining Company in 1986, Zijin now has subsidiaries in more than 20 provinces, municipalities and autonomous regions across the PRC and in six other countries.

Zijin has been listed on the Hong Kong Stock Exchange since 2003 and the Shanghai Stock Exchange since 2008. Zijin's largest shareholder is Minxi Xinghang State-owned Assets Investment Company Limited, a wholly-owned subsidiary of the Financial Bureau of Shanghang County, Fujian Province, which owns approximately 29% of Zijin's issued shares.

As at 31 March 2015, Zijin's stock market capitalisation was approximately $16.89 billion

6.2 Zijin's business and principal activities

Zijin is a mining company primarily engaged in gold production, and specifically engaged in the exploration, mining and sale of gold and other non-ferrous metals.

In the PRC, Zijin is one of the largest gold producers, the second largest copper producer, and a leading zinc, tungsten and iron ore producer.

One of Zijin's key assets is the Zijinshan Gold Mine, which was rated the PRC's largest gold mine by the China Gold Association in March 2008.

6.3 Financial profile of Zijin

As a company incorporated in the PRC and a resident of the PRC for tax purposes, Zijin presents its financial information in RMB (Chinese renminbi).

As reported in Zijin's Third Quarterly Report 2014 (released to the Hong Kong Stock Exchange on 26 October 2014), as at 30 September 2014, the Zijin Group had total assets of approximately RMB 74.4 billion (equivalent to approximately A$13.83 billion).

As reported in Zijin's Annual Report 2013 (released to the Hong Kong Stock Exchange on 29 April 2014), for the financial year ended 31 December 2012, the Zijin Group achieved total revenue of approximately RMB 49.77 billion (equivalent to approximately $7.69 billion) and total profit after tax of approximately RMB 2.86 billion (equivalent to approximately $442.33 million).

6.4 Directors of Zijin

As at the date of the Scheme Booklet, the Directors of Zijin are as follows:

Executive Directors

(a) **Mr Chen Jinghe**, graduated from Fuzhou University with a bachelor's degree in geology and obtained an EMBA degree. Mr Chen is a professor grade senior engineer, a specialist who enjoys special allowance from the State Council, a delegate to the Tenth People's Congress of Fujian Province, and the vice president of the China Gold Association. Mr Chen was appointed as the chairman of Zijin in 2000. From August 2006 to November 2009, Mr Chen also served as the President of Zijin. Mr Chen is currently the chairman of Zijin's board.

(b) **Mr Wang Jianhua**, holds an EMBA and is a senior economist and senior accountant. Mr Wang has served in various senior roles at Shandong Qingzhou Silkworm Breeding Farm, Guangtong Yelusu Co., Ltd, Shandong Silk Import & Export Corporation, Shandong Provincial Silk Corporation, Shandong Silk Group Co., Ltd, and Shandong Gold Group Co., Ltd. Mr Wang has been the president of Zijin since May 2013.

(c) **Mr Qiu Xiaohua**, holds a Ph.D. and is a senior statistician. Mr Qiu has served in senior research and management roles at the National Bureau of Statistic of China, China National Offshore Oil Corporation, China Centre for International Economic Exchanges, and TX Investment Consulting Co., Ltd. Mr Qiu was appointed as an executive director of Zijin in March 2012. He is currently also a vice chairman of Zijin's board.

(d) **Mr Lan Fusheng**, graduated from Fuzhou University with a bachelor's degree of engineering in geology, and has obtained a master's degree in business administration. Mr Lan has served as a technician of Fujian Minxi Geological Team, and has held senior roles at Shanghang County Mining Company and Shanghang County Xinhui Jewelry and Ornaments Company. From August 2000 to August 2006, Mr Lu was the standing deputy general manager of Zijin. He has been an executive director and vice chairman of Zijin since August 2006.

(e) **Mr Zou Laichang**, graduated from Fujian Agriculture and Forestry University Forestry College and obtained an MBA from Xiamen University. Mr Zou has served as the chief of production in Shanghang County Forest Chemical Factory. Since March 1996, Mr Zou has held several senior positions within Zijin, including deputy director of gold refinery, standing deputy head of the institute of mining and refining design and research. Mr Zou has been a director and senior vice president at Zijin since August 2006.

(f) **Mr Lin Hongfu**, graduated from Chongqing Steel College. Mr Lin has held several senior positions at Zijin, including assistant manager of gold refinery plant, chief of the electrolysis plant, deputy plant manager, plant manager, and deputy chief of Zijinshan gold mine. Mr Lin has also held senior roles at Bayannaoer Zijin Non-ferrous Metals Co., Ltd, Wulatehouqi Zijin Mining Co., Ltd, Zijin International Co., Ltd, and Zijin Copper Co., Ltd. Mr Lin has been a vice president of Zijin since August 2006 and an executive director since October 2013.

Non-Executive Directors

(a) **Mr Li Jian**, graduated from Yang-En University, majoring in international finance. He has held numerous senior positions at Industrial Securities Co., Ltd. He is also currently serving as general manager of Minxi Xinghang State-owned Assets Investment Co., Ltd. Mr Li has been a non-executive director of Zijin since January 2013.

Independent Non-Executive Directors

(a) **Mr Lu Shihua**, graduated from the Central Communist Party School majoring in economic management specialisation by correspondence, and is a non-practicing registered accountant. Mr Lu has held a number of senior positions at the Gutian Finance Bureau and the Fujian Finance Department. Mr Lu was appointed as an independent non-executive director of Zijin in October 2013.

(b) **Mr Ding Shida**, graduated from the business administration post-graduate programme at Economic Research Institute of Xiamen University, and has a Ph.D. in Management. Mr Ding has held senior management positions at Fujian Construction Materials Industry Corporation, Fujian Cement Inc, Fujian International Trust & Investment Corporation, Min Xin Holdings Limited, Xin Insurance Co., Ltd., Luso International Banking Ltd, and Xiamen International Bank. Mr Ding was appointed as an independent non-executive director of Zijin in October 2013.

(c) **Mr Qiu Guanzhou**, graduated from Central South University of Technology majoring in 1987 with a doctoral degree in mineral processing engineering. He is the first PhD student with mineral processing engineering specialization trained in China. He previously served as the vice-principal of Central South University of Technology and Central South University. He currently serves as a professor and tutor of doctoral students in Central South University. He was elected as an academician of Chinese Academy of Engineering in December 2011.

(d) **Mr Sit Hoi Wah**, is a practicing solicitor in Hong Kong. He received his Bachelor of Laws (Honours) from the University of Hong Kong, and has been admitted in a number of jurisdictions, including Hong Kong, England and Wales, Australia, and Singapore. Mr Sit is also currently a partner of Messrs. Kenneth Sit, Solicitors, a consultant of Messrs. Charles Chu & Kenneth Sit, Solicitors and a notary public. He was appointed as an independent non-executive director of Zijin in October 2013.

6.5 Major shareholders of Zijin

Zijin is listed on the Shanghai Stock Exchange (code: 601899) and Hong Kong Stock Exchange (code: 02899). As at 30 September 2014, it had a total of 831,881 shareholders.

Its three largest shareholders are:

- Minxi Xinghang State-owned Assets Investment Company Limited (approximately 29%);
- HKSCC Nominees Limited (approximately 27%); and
- Xinhuadu Industrial Group Co., Ltd (approximately 10.5%).

6.6 Overview of Jinyu

Jinyu is a wholly-owned subsidiary of Zijin, incorporated in Hong Kong on 28 January 2010. Jinyu is principally engaged in investment holding.

As at the date of this Scheme Booklet, the directors of Jinyu are as follows:

(a) **Mr Lan Fusheng**, see details in section 6.4(d) above.

(b) **Ms Yang Yifang, Lydia**, graduated from Tamkang University in Taiwan with a Bachelor of Arts degree in 2000. Ms Yang is currently director of Jinyu, she holds various positions within Zijin Mining Group including Chairman of Xiamen Zijin Tongguan Investment Development Corp, President of Rio Blanco Copper S.A in Peru and Director of Gold Mountains(HK) International Mining Co. Ms Yang has spent her whole working career in the mining industry in Canada, the People's Republic of China (the "PRC"), Hong Kong and Peru in various roles specializing in business development, mergers and acquisitions, and operations management. Prior to her current positions in Zijin Mining Group, Ms Yang was the Chief Executive Officer and Executive Director of Hong Kong listed CST Mining Group where she successfully operated Lady Annie Copper Operations in Queensland, Australia for a production of 30,000 tons per annum and led the sale of Mina Justa Copper project in Peru for USD $505 million. She was also a director of TSX listed Continental Minerals Corp. in 2009-2010.

(c) **Mr Fan Cheung Man**, graduated from the University of New England, Australia and holds a master's degree in business administration. He is an associate member of The Hong Kong Institute of Certified Public Accountants, and a fellow member of The Association of Chartered Certificate Accountants, UK. Mr Fan was a deputy general manager of Hungtai Electronic Factory and a financial controller of Vigers HK Limited. Mr Fan has been serving as the company secretary (HK) for Zijin since December 2004.

6.7 Additional information

Information about the Zijin Group may also be obtained from Zijin's website at www.zijinmining.com. English-language announcements made by Zijin to the Hong Kong Stock Exchange may also be obtained from the exchange's website at www.hkex.com.hk (search for company code 2899). Information contained in or otherwise accessible from those websites do not form part of the Scheme Booklet.

6.8 Rationale for the proposal

Zijin Group currently holds 768,090,563 ordinary shares in Norton, which represents 82.43% of the issued shares of Norton.

Zijin is principally engaged in the mining, production, refining and sale of gold and other mineral resources in the PRC. Norton owns productive gold mines which produce large volumes of gold.

As one of the PRC's largest gold producers in the PRC, Zijin brings significant experience, expertise and support (including financial support) to Norton.

Zijin intends to use its financial strength to underpin Norton's investment and development plans with respect to Norton's operations in Australia and suite of exploration and development projects. Full ownership of Norton is consistent with Zijin's desire to ensure the long term future of Norton's current mining operations in Australia in challenging global economic times.

By further aligning Norton with Zijin, Norton will have greater access to capital required to implement its investment and development plans.

6.9 Source of funds for the Scheme

Consideration for Norton Shares

The consideration for the acquisition of Norton Shares to which the Scheme relates will be satisfied by the payment of cash (in Australian dollars).

Based on the number of Norton Shares on issue as at the date of this Scheme Booklet (being 931,850,665 shares), and as the Zijin Group already has a relevant interest in 768,090,563 of these shares as at the date of this Scheme Booklet, the maximum amount of cash that would be payable by Jinyu for the Scheme Shares is A$32.75 million (being 163,760,102 shares multiplied by $0.20 per share) (**Total Scheme Consideration**).

As at the date of this Scheme Booklet, there are also 72,246,764 OPT2 Options on issue. OPT2 Options are unlisted options to acquire Norton Shares, exercisable at $0.27 per share on or before 30 April 2015. If these options are exercised prior to 30 April 2015, and a Norton Share is issued in respect of each option, Jinyu will be required to pay $0.20 for each of the Norton Shares issued in respect of the exercised options, being an additional amount of approximately A$14.45 million (being 72,246,764 OPT2 Options multiplied by $0.20 per Norton Share). However, it is not considered likely that these options will be exercised prior to 30 April 2015 as the exercise price of $0.27 per share is significantly higher than the Scheme Consideration.

Accordingly, the maximum cash amount which may be required to settle acceptances under the Scheme is approximately $47.2 million (**Maximum Offer Amount**).

In addition to the OPT2 Options, Drock International Pty Ltd (as nominee of Dianmin Chen) currently holds 8,000,000 OPT1 Options to acquire Norton Shares, exercisable at $0.241 per share on or before 22 August 2017. Pursuant to the Cancellation Deed, these Options will be cancelled in consideration for payment of the sum of $200,000 to Drock International Pty Ltd by Zijin on the Effective Date of the Scheme.

Intra-group arrangements

In accordance with the Scheme Implementation Agreement, Zijin has nominated Jinyu to acquire the Scheme Shares instead of Zijin. As Zijin's nominee, the Scheme Implementation Agreement requires Jinyu to acquire the Norton Shares under the Scheme and pay the Scheme Consideration. Under the Scheme Implementation Agreement, Zijin has irrevocably guaranteed the performance of all Jinyu's obligations under or in connection with the Scheme Implementation Agreement, Scheme and the Deed Poll.

Zijin is also able to procure that other entities within the Zijin Group make funds available to Jinyu through Zijin's ability to control those entities.

Under the terms of the Zijin Group internal funding arrangements, Zijin is obliged to advance funds on request by Jinyu to enable Jinyu to satisfy its payment obligations under the Scheme. The funds borrowed thereunder will bear interest at such rate, and be payable at such times, as will be specified by the relevant lender entities within the Zijin Group. However, there will be no conditions precedent to Jinyu drawing down on such funds, and Zijin will ensure that no demand for interest or repayment of the loaned funds will be made by any lender entity during the period in which Jinyu has outstanding obligations to make payments of Scheme Consideration.

Sources of funding

Funding of the proposal will be sourced from existing cash and bank deposits.

As of 30 September, 2014, Zijin had cash and cash equivalents of approximately RMB 3.70 billion (equivalent to US$601 million) Zijin intends to fund the Offer Price using its existing cash and bank deposits.

Zijin confirms that the Total Scheme Consideration and the Maximum Offer Amount are immediately available and not subject to security interests or rights of set off, and are not required for other arrangements. As such, Zijin does not require any new external financing to execute the transaction and no funding condition will be required.

6.10 Intentions if Scheme is implemented

Overview

The intentions set out in this Section have been formed on the basis of facts and information concerning Zijin and the general business environment which is known to Zijin as at the time of preparing the Zijin information for disclosure in this Scheme Booklet.

Final decisions relating to these matters will only be made by Zijin in light of all material facts and circumstances at the relevant time. Accordingly, the statements set out in this Section are statements of current intention only, which may change as new information becomes available or as circumstances change. The statements in this Section should be read in context.

Norton to be de-listed

If the Scheme is implemented, Zijin intends to request the ASX to remove Norton from its official list with effect on and from the close of trading on the Effective Date.

Business continuity

Zijin has no current intention to make any immediate or major changes to, or to dispose of any parts of, Norton's business or Australian mining assets or operations.

Norton's Board

If the Scheme is approved and implemented, Zijin will reconstitute the Norton board so that it comprises only those directors nominated by Zijin.

Future employment/treatment of employees

Zijin currently intends to retain all existing staff, mining and management personnel, and to retain Norton's corporate and executive team (subject to the replacement of Norton's directors with those directors nominated by Zijin).

Zijin also currently intends that the remuneration arrangements for employees following implementation of the Scheme will be materially the same in value to their current arrangements.

Zijin has no present intention for there to be any immediate impacts on Norton employees, and Zijin currently intends to continue to place a strong emphasis on local employment and management.

Limitations on intentions

The intentions and statements of future conduct set out in this Section must be read as being subject to:

- the law (including the Corporations Act) and the Listing Rules; and
- the legal obligation of Norton Directors, including the Non-Independent Directors (being nominees of Zijin) at the time to act in good faith in the best interests of Norton and for proper purposes.

6.11 **Intentions if Scheme is not implemented**

Zijin supports the statement of Directors' intentions in Section 1.8 of this Scheme Booklet. If the Scheme is not implemented, Zijin will continue to be Norton's major shareholder (through its subsidiary Jinyu) and a committed partner.

7. Summary of Key Risks

There are existing risks relating to Norton's business and investment in Norton which will continue to be relevant to Scheme Participants if the Scheme does not become effective. These risks include but are not limited to the risks outlined below.

(a) Changes in Commodity Price

Norton's possible future revenues will probably be derived mainly from a range of metals and/or from royalties gained from potential joint ventures or from mineral projects sold. Consequently, Norton's potential future earnings could be closely related to the price of these commodities, although Norton's key commodity is gold.

The commodities that are being developed, explored and/or sold by Norton may be subject to price fluctuations. This could have a material impact on both the value of Norton's assets and Norton's Shares. Commodity prices react to a variety of forces that are outside of the control of Norton including demand for minerals, forward selling by producers, production cost levels in major producing regions and macroeconomic factors, e.g. inflation, interest rates, currency exchange rates and global and regional demand for, and supply of minerals. Accordingly, the value of Norton Shares can be influenced by price fluctuations.

If the market price of minerals explored for by Norton were to fall below the costs of production and remain at such a level for any sustained period, Norton may curtail or suspend some or all of its potential future exploration and/or mining activities.

(b) Dependence Upon Key Personnel

Whilst Norton currently has a core team of executives and senior personnel, its progress in pursuing its growing exploration and productions programs within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel and/or a failure to secure and retain additional key personnel as Norton's exploration and production programs develop. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.

Although the key personnel of Norton have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring, evaluating and developing mineral projects, there is no guarantee or assurance that they will be successful in their objectives.

(c) Contractual Risk

Development of the Norton's projects and subsequent sale of material from the projects will be dependent on a number of key contractual arrangements including relevant mining, haulage and other service agreements.

Norton is party to a number of material contracts and is advanced in the finalisation of other contracts. Whilst Norton will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which Norton is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provisions, that Norton will be successful in securing compliance.

Failure by any other party to finalise and execute a contract which is presently under negotiation with Norton, or failure to comply with an obligation under a contract with Norton could have a material adverse effect on Norton.

(d) Land Access Risk

Land access is critical for Norton's exploration and production programs to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and native title land or claims under the Native Title Act 1993 (Cth) (NTA). NTA land ownership rights and obligations are set out immediately below.

In addition, rights to mineral tenements carry with them various obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area.

(e) Native Title

The NTA provides a regime that enables persons claiming to hold native title to lodge a claim to that effect for determination. The NTA also provides for the determination. The NTA also provides for the determination of native title rights, their extinguishment, and for processes to deal with those rights in accordance with specific categories of acts that have occurred including "past acts" (before 1 January 1994), "intermediate period acts" (occurring between 1 January 1994 and 23 December 1996), and "future acts". Under this regime, native title is extinguished by grants of private freehold title and exclusive possession tenures. The effect on each tenement will depend on the nature of the tenement, the date of its grant or proposed grant, and the nature of the underlying land tenures.

The effect of the NTA is that existing and new tenements held by Norton may be affected by native title claims and procedures. Norton has not undertaken the historical, legal or anthropological research and investigations at the date of this Scheme Booklet that would be required to form an opinion as to whether any existing or future claim for native title could be upheld over a particular parcel of land covered by a tenement. There is a potential risk that a determination could be made that native title exists in relation to land the subject of a tenement held by Norton which may affect the operation of Norton's business and development activities. In the event that it is determined that native title does exist or a native title claim has been registered, Norton may need to comply with procedures under the NTA in order to carry out its operations or to be granted any additional rights required. Such procedures may take considerable time, involve the negotiation of significant agreements, may involve access rights, and require the payment of compensation to those persons holding or claiming native title in the land the subject of a tenement. The involvement in the administration and determination of native title issues may have a material adverse impact on the position of Norton in terms of cash flows, financial performance, business development, ability to pay dividends and the share price.

The Directors believe that the impact of native title with respect to land access on the project for the purpose of exploration, other than causing delays, is likely to be minimal.

(f) Legislation and regulations

Norton's activities in the gold industry are subject to various legislation, regulation and approvals. The introduction of any new legislation, be it amendments, the application of developments in existing common law or policies or the interpretation of those laws or policies could have a material adverse effect on Norton. Changes in government regulations may adversely affect the financial performance or the current and proposed operations generally of Norton.

In addition, Norton's projects may require from time to time various regulatory approvals by government for their operations and accordingly must comply with those approvals, applicable laws, regulations, guidelines and policies.

Specifically, Norton may require licenses and approvals in relation to environmental matters, exploration, development and production of gold. There is a risk that Norton may not obtain, or may be delayed in obtaining the necessary licenses and approvals in relation to their operations. This may affect the timing and scope of Norton's operations. The loss of granted tenements or the delay in obtaining lease renewals may have a material adverse effect on Norton.

(g) Government Policy

The availability and rights to explore and mine, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of Norton.

Norton is aware that State Governments conduct reviews from time to time of policies in connection with the granting and administration of mining tenements. At present Norton is not aware of any proposed changes to policy that would affect its tenements, save that the West Australian government has recently presented it's finding following a review of the royalty regime, which included a recommendation that the royalty on gold be increased. However, the Government has announced that no change would be adopted in 2015/2016. Any increase to the royalties payable on gold will have an adverse effect of Norton.

Changing attitudes to environmental, land care, cultural heritage and indigenous land rights issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect Norton's exploration plans or, indeed, its rights and/or obligations with respect to the tenements.

(h) Environmental Risk

Norton's operations and projects are subject to State and Federal laws and regulation regarding environmental hazards. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on Norton for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by Norton or its Subsidiaries, or non-compliance with environmental laws or regulations. Norton proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

(i) Industrial Risk

Industrial disruptions, work stoppages and accidents in the course of Norton's operations could result in losses and delays, which may adversely affect profitability.

(j) Insurance Arrangements

Norton intends to ensure that insurance is maintained within ranges of coverage that Norton believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that Norton will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims

(k) Exploration Expenditure Risk

The terms of Norton's granted tenements include minimum expenditure requirements. Whilst Norton has raised and allocated funds for its exploration program to, in part, meet these expenditure requirements the actual expenditure Norton undertakes may be insufficient to meet those requirements. Whilst there is a risk that the terms of the tenements may not be able to be complied with, Norton intends to mitigate this risk by re-evaluating their exploration program and budget, or considering other options including, where appropriate in accordance with normal industry practice, surrendering parts of its tenements in order to manage its minimum expenditure obligations.

(l) Exploration and Evaluation Risk

Mineral exploration and development are high-risk undertakings. While Norton has attempted to reduce this risk by selecting some projects that have identified mineral Targets, there is still no guarantee of success. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(m) Operational Risk

The operations of Norton including mining and processing may be affected by a range of factors. These include failure to achieve predicted grade in exploration, mining and processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, metallurgical problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

(n) Sustainability of Growth and Margins

The sustainability of growth and the level of profit margins from operations are dependent on a number of factors outside of Norton's control. Industry margins in all sectors of Norton's activities are likely to be subject to continuing but varying pressures, including competition from other current or potential suppliers.

(o) Application Risk

From time to time, Norton may make a number of applications for exploration permits or licences. Whilst Norton is not aware of any reason why any such applications will not be granted (enabling Norton to undertake activities on those tenements), the grant involves the exercise of administrative functions (including discretion), which are beyond the control of Norton. Any failure of these applications to be granted may have a material adverse effect on the ability of Norton to explore for minerals on the areas comprised in those applications.

(p) Unforeseen Expenses

While Norton is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of Norton may be adversely affected.

8. Tax Implications for Scheme Participants

8.1 Scope

The following is a general summary of the potential Australian tax consequences for Scheme Participants disposing of their shares under the Scheme.

The comments below on income tax are based on the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth) (collectively referred to as the **Tax Act**) and relevant to ATO pronouncements as at the date of this Scheme Booklet. It is not intended to be authoritative or complete statement of the law applicable to particular circumstances of any Scheme Participant.

This Section only discusses Australian tax considerations. Section 8.2(a) is only relevant to Scheme Participants who are Australian residents for tax purposes while section 8.2(b) is relevant to Non-Australian tax resident Scheme Participants. Both Sections 8.2(a) and 8.2(b) only apply to Scheme Participants who hold their Norton Shares on capital account. Section 8.3 is relevant for all Scheme Participants.

This summary does not discuss the taxation implications for those Scheme Participants who hold their Norton Shares on revenue account, as trading stock or as assets used in carrying on a business or who are subject to the taxation of financial arrangements rules in division 230 of the Tax Act in relation to gains and losses in their Norton Shares.

All Scheme Participants are advised to seek independent professional advice in relation to their particular circumstances. Non-Australian resident Scheme Participants should seek their own advice on income tax consequences.

8.2 Australian income tax consequences of the Scheme

In general, the CGT regime operates to include gains resulting from the growth of capital assets (CGT assets) in a taxpayer's taxable income, in the year in which the agreement effecting the disposal of those assets is entered into. Certain concessions may be available to certain taxpayers, most notably to individuals and trusts where the CGT assets are held for longer than 12 months.

It should also be noted that the tax consequences will vary depending on the identity of the Scheme Participant. Certain exemptions available to individuals and trusts may not be open to companies. Different tax rates also apply.

(a) Australian Resident Scheme Participants

Capital Gains Tax – general

Scheme Participants holding their Norton Shares on capital account will be subject to Australian CGT on the disposal of their Scheme Shares under the Scheme.

An Australian tax resident Scheme Participant will make a capital gain equal to the amount by which the capital proceeds from the disposal exceeds the cost base of the Norton Shares disposed of by the Scheme. Subject to the availability of the CGT discount (see below) and any losses available to be offset against the capital gain, this amount will be included in the Scheme Participant's taxable income.

A Scheme Participant will, alternatively make a capital loss equal to the amount by which the reduced cost base of the Norton Shares disposed of by the Scheme Participant under the Scheme exceeds the capital proceeds from that disposal. A capital loss may be used to offset a capital gain made in a future income year (subject to the satisfaction of certain loss recoupment tests applicable to companies and trusts).

Capital losses may only be offset against capital gains, but not against other forms of income.

Capital proceeds from the disposal

The capital proceeds from the disposal of Norton Shares will consist of the Scheme Consideration.

Cost base of Norton Shares

The cost base of Norton Shares will generally be equal to the cost of acquiring the Norton Shares, including any stamp duty and brokerage fees.

Capital gain

If the capital proceeds from the disposal are greater than the cost base of the Norton Shares (resulting in a capital gain), Scheme Participants will (subject to the availability of capital losses) be required to include an amount in their Australian taxable income in the income year in which the disposal takes place.

CGT discount

Any Scheme Participant who is an individual, the trustee of a trust or complying superannuation entity may be entitled to apply the CGT discount against any capital gain realised from the disposal of Norton Shares that were acquired at least 12 months prior to their disposal under the Scheme.

The CGT discount is applied to the capital gain after it is offset against any available capital losses. A Scheme Participant who is an individual or, generally speaking, the trustee of a trust may reduce the net capital gain to be included in their taxable income by 50%. The methodology for calculating the discount for trustees is complex and such Scheme Participants and their respective beneficiaries should obtain specific tax advice.

A Scheme Participant which is a complying superannuation entity may reduce any net capital gain to be included in its assessable income by 33.3%.

The CGT discount is not available to Scheme Participants:

(1) which are companies; or

(2) who hold their Scheme Shares on revenue account; or

(3) who hold their Scheme Shares as trading stock.

Capital Loss

To the extent that the capital proceeds from the disposal are less than the reduced cost base of the Scheme Shares disposed of, Scheme Participants will make a capital loss.

(b) Non-Australian resident Scheme Participants

The following discussions apply to a Scheme Participant who is not, and has never been a resident of Australia for the purposes of the Tax Act and who holds their Scheme Shares on capital account for investment purposes.

It may be possible for a non-Australian tax resident Scheme Participant to disregard the whole of the capital gain or capital loss they make for Australian tax purposes on the disposal of Scheme Shares if they (and their associates) do not hold 10% or more of the Scheme Shares on issue on the Implementation Date and have not held 10% or more of the Scheme Shares on issues through the 12 month period during the two years immediately preceding the transfer of their Scheme Shares.

Non-Australian tax resident Scheme Participants should obtain their own independent tax advice on the application of the Tax Act to any gain or loss realised on transfer of their Scheme Shares.

Non-Australian tax resident Scheme Participants should also obtain specific advice on the application of the laws of their country of residence in determining the tax consequences of the transfer of Scheme Shares.

8.3 Australian goods and services tax and stamp duty

No Australian Good and Services Tax (**GST**) will generally be payable by Scheme Participants in respect of the actual disposal of their interests under the Scheme.

However GST may be incurred by a Scheme Participant on transaction costs incurred such as fees charged by a professional adviser that they have engaged to advise them on the Scheme. In these circumstances, there may, however, be some restrictions imposed upon Scheme Participants in respect of their ability to recover any GST paid in the form of tax input credits on such costs incurred. This is a complex area of Australian GST Law and Scheme Participants should seek their own independent GST advice in this regard.

No Australian stamp duty will be payable by Scheme Participants under the Scheme.

9. Other Information

9.1 Introduction

This Section sets out the statutory information required by Section 412(1)(a) of the Corporations Act and Part 3 of Schedule 8 to the Corporations Regulations to be included in the Scheme Booklet. This Section also includes additional information that your Directors consider is material to a decision on how to vote on the Scheme Resolution to be considered at the Scheme Meeting to approve the Scheme.

In this Section, the terms ‘associate’, ‘executive officer’, ‘marketable securities’, ‘related body corporate’ and ‘subsidiary’ have the meanings given to them in the Corporations Act.

9.2 Management of potential conflict issues

Following receipt of Zijin’s initial indicative non-binding proposal to acquire 100% of Norton by way of scheme of arrangement, Norton established an independent subcommittee of the Board comprising the Independent Directors (**Independent Board Committee**).

The purpose of the Independent Board Committee was to review and consider any binding proposal which may be received from Zijin and to consider in its sole discretion, Norton’s participation in a scheme of arrangement and any recommendations of the Board of Norton to its shareholders.

The Norton Directors nominated by Zijin, being the Non-Independent Directors, have chosen not to make a recommendation to Scheme Participants in respect of the Scheme, due to the potential conflict which arises as a result of their position as nominee directors of, and their relationship with, Zijin.

9.3 Scheme Implementation Agreement

As announced to the ASX on 6 February 2015, Zijin and Norton have entered into the Scheme Implementation Agreement in connection with the proposed Scheme. The Scheme Implementation Agreement sets out the obligations of Zijin and Norton in relation to the Scheme. A copy of the Scheme Implementation Agreement is contained in Schedule 2 to this Scheme Booklet.

Under the terms of the Scheme Implementation Agreement, Zijin had the right to give written notice to Norton nominating an alternate entity to acquire all of the Scheme Shares instead of Zijin. On 26 February 2015, Norton received notice from Zijin nominating Jinyu, a wholly owned subsidiary of Zijin, as the acquiring entity.

In accordance with the Scheme Implementation Agreement, Jinyu will acquire all of the Scheme Shares and pay the Scheme Consideration instead of Zijin. Zijin irrevocably guarantees (as a principal obligation) the due and punctual performance by Jinyu of all of its obligations under or in connection with the Scheme Implementation Agreement, the Scheme and the Deed Poll, including the payment of the Scheme Consideration. If Jinyu commits any default or breach of the Scheme Implementation Agreement, Zijin will, immediately on written demand by Norton, perform all obligations (if any) of Jinyu in accordance with the provisions of the Scheme Implementation Agreement.

9.4 Suspension of trading of Norton Shares

If the Court approves the Scheme on the Second Court Date, Norton will immediately notify ASX. It is expected that suspension of trading on the ASX in Norton Shares will occur at the close of trading on ASX on the Effective Date.

9.5 Removal of Norton from the official list

If the Court approves the Scheme and the Scheme is implemented, Norton will apply to ASX for Norton to be removed from ASX's official list after the Implementation Date.

9.6 No relevant restrictions in the Constitution of Norton

There are no relevant restrictions on the right to transfer Norton Shares in Norton's Constitution.

9.7 Warranty by Scheme Participants about Norton Shares

Scheme Participants' attention is drawn to the warranties that Scheme Participants will be taken to have given if the Scheme takes effect, in clause 6.4 of the Scheme of Arrangement (see Schedule 4). Pursuant to clause 6.4 of the Scheme, each Scheme Participant (including those who vote against the Scheme and those who do not vote) will be taken to have warranted to Norton, in its own right and for the benefit of Zijin, that:

(a) all of the Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to Zijin under the Scheme will be transferred to Zijin free from all mortgages, pledges, charges, liens, encumbrances and security interests and other interests of third parties of any kind, whether legal or otherwise (but acknowledging that a security interest holder may potentially have an interest in the Scheme Consideration in accordance with the terms of such security interest); and

(b) they have full power and capacity to sell and transfer their Scheme Shares to Zijin (including any rights and entitlements attaching to those shares).

The Scheme is set out in full in Schedule 4 of this Scheme Booklet.

9.8 Interests in marketable securities of Norton and Zijin

(a) Norton marketable securities

As at the date of this Scheme Booklet, the number of Shares and Options held beneficially by or on behalf of each of the Directors is as follows:

Director's name	Norton Shares	Norton Options
Mr Jinghe Chen [1]	-	-
Mr Dianmin Chen [2]	1,726,043	8,000,000 unlisted options exercisable at $0.241 on or before 22/8/17
Ms Anne Bi [3]	-	-
Dr Noel White	-	-
Ms Xuelin Cai [1]	-	-

[1] Mr Jinghe Chen and Ms Xuelin Cai are employees of Zijin. Zijin via Jinyu holds an interest in 768,090,563 Norton Shares. However, Mr Chen and Ms Cai do not have a Relevant Interest in those shares.

[2] Options are registered in the name of Drock International Pty Ltd (as nominee of Dianmin Chen).

[3] Ms Anne Bi is a nominee director of Goldmax Asia Investment Limited (**Goldmax**), which holds 46,319,231 Norton Shares. However, Ms Bi does not have a Relevant Interest in those shares and Goldmax will make its own decision with respect to the Scheme, independent of Ms Bi's recommendation.

As at the date of this Scheme Booklet:

(1) Zijin's voting power in Norton is 82.43%; and

(2) Zijin has a relevant interest in 768,090,563 Norton Shares.

(b) Zijin marketable securities

There are no marketable securities of Zijin held by or on behalf of any Norton Directors as at the date of this Scheme Booklet.

(c) No dealings in shares or benefits in previous four months

(1) Except for the consideration to be provided under the Scheme, and the Cancellation Deed, during the period of four months before the date of this Scheme Booklet, neither Zijin nor any of its associates have provided or agreed to provide consideration for any Norton Shares or other Norton securities under a share purchase or agreement.

(2) During the four months before the date of this Scheme Booklet, neither Zijin nor any of its associates have given or offered to give or agreed to give a benefit* to another person where the benefit is likely to induce the other person, or an associate to:

(A) vote in favour of the Scheme; or

(B) dispose of Norton Shares,

and where the benefit was not offered to all Norton Shareholders.

*The Independent Expert has concluded that the consideration to be paid for the cancellation of the OPT1 Options under the Cancellation Deed is less than their value and is therefore not a collateral benefit.

9.9 Independent Directors' recommendations and intentions

The Independent Directors unanimously recommend that, in the absence of a Superior Proposal from another party, Shareholders vote in favour of the resolutions required to approve the Scheme. The reasons for your Independent Directors' recommendation are set out in Section 3 of this Scheme Booklet.

In the absence of a Superior Proposal from another party, each of the Independent Directors intends to vote in favour of the resolution required to approve the Scheme in respect of all Scheme Shares held by them.

No Superior Proposal from another party has been received as at the date of this Scheme Booklet.

9.10 Directors' interest in any contract with Zijin

Other than as set out in this Scheme Booklet, no Director or their associate has entered into, or otherwise has any interest, in any contract with Zijin or any related body corporate of Zijin.

9.11 Directors' interest in agreements connected with or conditional on the Scheme

As set out in Section 9.8, Drock International Pty Ltd (as nominee of Dianmin Chen) currently holds 8,000,000 OPT1 Options. Pursuant to the Cancellation Deed, these Options will be cancelled in consideration for payment of the sum of $200,000 to Drock International Pty Ltd by Zijin on the Effective Date of the Scheme. The Independent Expert has concluded that the consideration to be paid for the cancellation of the OPT1 Options is less than their value and is therefore not a collateral benefit.

Dianmin Chen currently holds 1,701,843 Performance Units. It is a term of the Performance Units that they will vest immediately should Norton be subject to a takeover or control transaction. The Scheme will trigger the immediate vesting of those Performance Units and as a result, Dianmin Chen will become entitled to a cash payment of $340,368. No equity will be or can be issued pursuant to the Performance Units.

Zijin will not be making any payment or giving any benefit to any current members of the Norton Board as compensation or consideration for, or otherwise in connection with any resignations from the Board.

Other than as set out above, no Director has an interest in any agreement connected with or conditional on the Scheme.

9.12 Norton Options

As at the date of the Scheme Booklet, Norton has:

(a) 8,000,000 OPT1 Options on issue, exercisable at $0.241 per Norton Share on or before 22 August 2017; and

(b) 72,246,764 OPT2 Options on issue, exercisable at $0.27 per Norton Share on or before 30 April 2015.

9.13 Material changes in the financial position of Norton

So far as is known to any Director, except as disclosed in this Scheme Booklet the financial position of Norton has not materially changed since the date its statutory accounts for the period ended 31 December 2014 which were provided to ASX on 30 March 2015 in accordance with the requirements of the Corporations Act.

9.14 Exclusivity Provisions

The Scheme Implementation Agreement provides for exclusivity provisions. These restrictions apply to Norton from the date of the Scheme Implementation Agreement (6 February 2015) until the earlier of the Effective Date and the termination of the Scheme Implementation Agreement (**Exclusivity Period**).

During the Exclusivity Period, Norton must notify Zijin, in writing within three Business Days, of any approach, inquiry or proposal made to, and any attempt to initiate negotiations or discussions with, Norton or any of its representatives with respect to any Third Party Proposal, or of any request for information relating to Norton or any member of Norton or any of their businesses or operations, if Norton reasonably suspects that it may relate to a current or future Third Party Proposal.

Zijin also has a right to match any Third Party Proposal received by Norton which Norton must, in the absence of a Superior Proposal for Norton, proceed exclusively with. If the Third Party Proposal is a Superior Proposal, the obligation on Norton to proceed exclusively with Zijin's counterproposal does not apply.

Refer to clause 8 of the Scheme Implementation Agreement for full details of the exclusivity provisions applicable to Norton.

9.15 **ASX waiver**

Listing Rule 6.23.2 provides that a change which has the effect of cancelling an option for consideration can only be made if shareholders approve the change.

ASX has granted Norton a waiver from Listing Rule 6.23.2 to allow for the cancellation of the OPT1 Options without the need to obtain Scheme Participant's approval. The waiver is conditional on the Scheme being approved by the requisite majority of Scheme Participants and by the Court, and that full details of the cancellation of the OPT1 Options are set out to ASX's satisfaction in the Scheme Booklet.

On 31 March 2015, ASX confirmed to Norton that the Scheme Booklet contains sufficient detail of the cancellation of the OPT1 Options in satisfaction of this condition.

See Section 9.11 for further details in relation to the proposed cancellation of the OPT1 Options.

9.16 **ASIC relief and consents**

Clause 8303 of Part 3 of Schedule 8 to the Corporations Regulations requires this Scheme Booklet to include a copy of a report by an expert who is not associated with Zijin stating whether or not, in their opinion, the Scheme is in the best interests of Scheme Participants and setting out their reasons for that opinion.

Under Clause 8305 of Part 3 of Schedule 8 to the Corporations Regulations, ASIC has consented to the inclusion in the Independent Expert's Report of forecasts of profit or profitability of Norton and statements that the market value of assets of Norton and its Related Bodies Corporate differ from their value in the financial reports of Norton and its Related Bodies Corporate.

9.17 **Consents and disclaimer of advisers and experts**

HopgoodGanim has given its written consent to be named in the Scheme Booklet as the solicitors to Norton in the form and context in which it is named and has not withdrawn its consent prior to lodgement of the Scheme Booklet with ASIC and the Federal Court of Australia.

RFC Ambrian Limited has given its written consent to be named in the Scheme Booklet as the financial advisor to Norton in the form and context in which it is named and has not withdrawn its consent prior to lodgement of the Scheme Booklet with ASIC and the Federal Court of Australia.

Link Market Services Limited, as the Registry, has given its written consent to be named in the Scheme Booklet as the Registry in the form and context in which it is named and has not withdrawn its consent prior to lodgement of the Scheme Booklet with ASIC and the Federal Court of Australia.

Deloitte, as the Independent Expert, has given its written consent to:

(a) to be named in the Scheme Booklet as the independent expert in the form and context in which it is named; and

(b) the inclusion of the Independent Expert's Report in this Scheme Booklet and to the references to the Independent Expert's Report in this Scheme Booklet in the form and context in which they are made,

and has not withdrawn its consent prior to lodgement of the Scheme Booklet with ASIC and the Federal Court of Australia.

Snowden, as the Technical Specialist, has given its written consent to the inclusion of the Technical Specialist's Report in this Scheme Booklet and to the references to the Technical Specialist's Report in this Scheme Booklet being made in the form and context in which each such reference is included and has not withdrawn its consent prior to lodgement of the Scheme Booklet with ASIC and the Federal Court of Australia.

Hetherington has given its written consent to the reliance by the Technical Specialist on Hetherington's review of Norton's mineral tenements in the form and context in which each such reference and corresponding statements are included and has not withdrawn its consent prior to lodgement of the Scheme Booklet with ASIC and the Federal Court of Australia.

EY has given its written consent to the inclusion in the Scheme Booklet of references to the audited financial statements of Norton for the year ended 31 December 2014 in the form and context in which they appear and has not withdrawn its consent prior to lodgement of the Scheme Booklet with ASIC and the Federal Court of Australia.

Each of the above persons:

- has not authorised or caused the issue of this Scheme Booklet and does not otherwise make or purport to make any statement in this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than, in the case of the statement or report included in this Scheme Booklet with the consent of that party;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Scheme Booklet, other than a reference to its name or statement or report, if any, which has been included in this Scheme Booklet with the consent of that party; and
- will be entitled to receive professional fees charged in accordance with their normal basis of charging or as otherwise disclosed in the Scheme Booklet.

9.18 Competent persons statement

Paddington and Bullabulling

The information in this Scheme Booklet that relates to Mineral Resources is based on information compiled by Peter Ruzicka and Brad Daddow for Paddington, and Richard Sulway for Bullabulling. The information in this Scheme Booklet that relates to Mineral Reserves is compiled by Guy Simpson and Elizabeth Jones. Exploration drilling results have been compiled by Peter Ruzicka.

Peter Ruzicka, Guy Simpson and Elizabeth Jones are all members of the Australasian Institute of Mining and Metallurgy and full-time employees of Norton. Brad Daddow is a member of the Australian Institute of Geoscientists and a former full-time employee of BM Geological Services PL, a consulting group to Norton. Richard Sulway is a member of the Australasian Institute of Mining and Metallurgy (AUSIMM), and was a full-time employee of Snowden, a consulting group to Norton, at the time of compiling the information relating to the Mineral Resources for Bullabulling.

Guy Simpson, Elizabeth Jones, Peter Ruzicka, Brad Daddow and Richard Sulway all have sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this Scheme Booklet, and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2012 JORC Code). Guy Simpson, Elizabeth Jones, Peter Ruzicka and Brad Daddow all consent to the inclusion in this Scheme Booklet of matters based on their information in the form and context in which it appears. The information relating to the Mineral Resources for Bullabulling is fairly extracted from the report entitled ‘September 2014 Quarterly Exploration Report’ released to ASX on 31 October 2014 which is available on the ASX website at www.asx.com.au or the Norton website at www.nortongoldfields.com.au. Norton confirms that it is not aware of any new information or data that materially affects the information relating to Bullabulling included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Norton also confirms that the form and context in which the Competent Persons’ (as defined in 2012 JORC Code) findings are presented have not been materially modified from the original market announcement.

Mount Morgan Project

The information in this Scheme Booklet that relates to Mineral Resources of the Mount Morgan Mine project was prepared in accordance with the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (2004 JORC Code) and is based on, and fairly represents, information and supporting documents prepared by Troy Lowien, Resource Geologist, formerly of consultants Coffey Mining Pty Ltd, who is a Member of AUSIMM and has a minimum of five years of experience in the estimation, assessment and evaluation of Mineral Resources of this style and is the Competent Person as defined in the 2004 JORC Code. Troy Lowien conducted the geological modelling, statistical analysis, variography, grade estimation and report preparation. This Scheme Booklet accurately summarises and fairly reports his estimations and he has approved and consented to the resource report in the form and context in which it appears.

This information was prepared and first disclosed under the 2004 JORC Code. It has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

9.19 Independent advice

Shareholders should consult their own independent financial, legal, taxation or other professional adviser if they have any queries regarding:

- the Scheme;
- the taxation implications for them if the Scheme is implemented;
- the recommendations of the Independent Directors in this Scheme Booklet and intentions in relation to the Scheme as set out in this Scheme Booklet; and
- any other aspects of this Scheme Booklet.

9.20 Other material information

Except as set out in this Scheme Booklet, in the opinion of the Board, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Director or of any related body corporate of Norton which has not been previously disclosed to the Shareholders.

9.21 Continuous disclosure

Norton is subject to regular reporting and disclosure obligations under the Corporations Act and Listing Rules. Norton has an obligation (subject to limited exceptions) to notify ASX immediately upon becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of Norton Shares. Copies of documents filed with ASX may be obtained from the ASX website.

In addition, Norton is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to Norton may be obtained from, or inspected at, an ASIC office.

9.22 Supplementary information

If between the date of lodgement of this Scheme Booklet for registration with ASIC and the Second Court Date Norton becomes aware of any of the following:

(a) a material statement in this Scheme Booklet becomes false and misleading;

(b) a material omission from this Scheme Booklet;

(c) a significant change affecting a matter included in this Scheme Booklet; or

(d) a significant new matter arising which would have been required to be included in this Scheme Booklet if it has arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

Then Norton intends to publish supplementary material by:

(a) placing an advertisement in a prominently published newspaper that is circulated throughout Australia; or

(b) releasing that material to ASX (www.asx.com.au) and posting the supplementary document on Norton's website at www.nortongoldfields.com.au;

and, depending on the nature and timing of the changed circumstances and the supplementary material, Norton may also post the supplementary material to all Norton Shareholders, subject to obtaining any necessary regulatory or court approvals.

10. Definitions and Interpretations

10.1 Definitions

In this Scheme Booklet (including the annexures and schedules) except where the context otherwise requires, the following terms shall bear the following meanings:

$, A$ or AUD$ means Australian dollars.

ASIC means the Australian Securities and Investment Commission.

Associate in relation to each party, has the meaning given in Sections 11, 12 and 16 of the Corporations Act.

ASX means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it.

Board means the board of Directors of Norton from time to time.

Business Day has the meaning given to this term under the Scheme.

Cancellation Deed means the Deed entered into by Drock International Pty Ltd (as nominee for Dianmin Chen), Zijin and Norton on 31 March 2015 which provides for the cancellation of the OPT1 Options.

CGT means capital gains tax.

Condition Date means the date that all of the conditions precedent in the Scheme Implementation Agreement are satisfied or waived.

Control has the meaning given to that term in the Corporations Act.

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

Court means the Federal Court of Australia.

Court Order means the order of the Court approving the Scheme under section 411(4)(b) of the Corporations Act which is to be lodged with ASIC to make the Scheme Effective.

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

Deed Poll means the deed poll to be executed by Zijin and Jinyu prior to the First Court Date as set out in Schedule 3.

Deloitte means Deloitte Corporate Finance Pty Limited.

Directors mean the directors of Norton from time to time.

Effective Date means the date on which the Court Order approving the Scheme becomes effective in accordance with Section 411(10) of the Corporations Act.

Excluded Share means a Norton Share held by Zijin or any of its Associates or by any person on behalf of, or for the benefit of, Zijin or any of its Associates.

EY means Ernst & Young.

First Court Date means the date of the first hearing of the application made to the Court for an order pursuant to Section 411(1) of the Corporations that the Scheme Meting be convened.

Hetherington means Hetherington Exploration & Mining Title Services Pty Ltd.

Implementation Date has the meaning given to this term under the Scheme Implementation Agreement.

Independent Board Committee means the sub-committee established by Norton in relation to the Scheme, comprising the Independent Directors.

Independent Directors means Anne Bi, Noel White and Dianmin Chen.

Independent Expert means Deloitte.

Independent Expert's Report means the Independent Expert's report dated 2 April 2015 as set out in Schedule 1 to this Scheme Booklet including the Technical Specialist Report.

Jinyu means Jinyu (H.K.) International Mining Company Limited, a wholly owned subsidiary of Zijin.

Listing Rules means the official listing rules of ASX.

Material Adverse Change has the meaning as defined in the Scheme Implementation Agreement.

Maximum Offer Amount means the maximum cash amount which may be required to settle acceptances under the Scheme, being the Total Scheme Consideration plus the amount Jinyu would be required to pay if each of the OPT2 Options were exercised prior to 30 April 2015 and a Norton Share is issued in respect of each OPT2 Option.

Mineral Reserves means the parts of the Mineral Resource that can, at present, be economically mined.

Mineral Resources means the concentration of material of economic interest in or on the Earth's crust.

Non-Independent Directors means Jinghe Chen and Xuelin Cai.

Norton means Norton Gold Fields Limited.

Norton Financials means the audited consolidated financial statements of Norton for the year ended 31 December 2014 as released to ASX on 30 March 2015.

Norton Group means Norton and each of its Related Bodies Corporate.

Norton Information means all information included in this Scheme Booklet and all information provided by or on behalf of Norton to the Independent Expert to enable the Independent Expert's Report to be prepared and completed, but does not include the Zijin Information, the Independent Expert's Report or any other expert report (including the Technical Specialist's Report.

Norton Shares means fully paid ordinary shares in Norton.

Notice of Scheme Meeting means the notice in relation to the Scheme Meeting, as set out in Schedule 5.

OPT1 means an unlisted option to acquire Norton Shares with an exercise price of $0.241 due to expire 22 August 2017 (subject to terms of issue).

OPT1 holder means each registered holder of an OPT1.

OPT2 means an unlisted option to acquire Norton Shares with an exercise price of $0.27 due to expire 30 April 2015 (issued by Norton as part of the consideration for its bid for Kalgoorlie Mining Company).

OPT2 holder means each registered holder of an OPT2.

Option means an option or other right to acquire Norton Shares, including OPT1 and OPT2.

Paddington Operations means Norton's primary mining and processing complex located in Western Australia's Kalgoorlie gold region.

Performance Unit means cash settled incentive payments made to management only and are not convertible into any form of securities in Norton.

PRC means the People's Republic of China.

Prescribed Occurrence has the meaning as defined in the Scheme Implementation Agreement.

Proxy Form means the proxy form for the Scheme Meeting enclosed with this Scheme Booklet.

Record Date means 7.00 pm on the fourth Business Day following the Effective Date or such other date and time as Norton and Zijin agree.

Register means the register of members of Norton.

Registry means Link Market Services Limited.

Regulatory Approval has the meaning as defined in the Scheme Implementation Agreement.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Relevant Interest has the meaning given in the Corporations Act.

Requisite Majority means the threshold for approval of a resolution on a scheme of arrangement between a body and its members under Part 5.1 of the Corporations Act, being 'in favour' of the resolution received from:

(a) unless the Court orders otherwise, a majority in number (more than 50%) of the members who are present and voting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; and

(b) at least 75% of the votes cast on the resolution.

Scheme Booklet means this document and the schedules hereto.

Scheme or **Scheme of Arrangement** means the proposed scheme of arrangement between Norton and the Scheme Participants under Part 5.1 of the Corporations Act in the form of Schedule 4 (or in such other form as agreed by Zijin and Norton), subject to any alterations or conditions made or required by the Court under Section 411(6) of the Corporations Act and agreed in writing by Zijin and Norton.

Scheme Conditions means the conditions that the Scheme is subject to, set out in clause 3.1 of the Scheme Implementation Agreement and summarised in Section 4 of this Scheme Booklet.

Scheme Consideration means $0.20 for each Norton Share held as at the Record Date.

Scheme Implementation Agreement means the agreement dated 6 February 2015 between Norton and Zijin, a copy of which is set out in Schedule 2.

Scheme Meeting means a meeting of Scheme Participants ordered by the Court under Section 411(1) of the Corporations Act to be convened for the purposes of the Scheme.

Scheme Participants means each holder of Scheme Shares as at the Record Date.

Scheme Resolution means the resolution in relation to the Scheme to be voted on at the Scheme Meeting, as set out in the Notice of Scheme Meeting.

Scheme Shares means Norton Shares other than the Excluded Shares.

Second Court Date means the date of the first hearing of the application made to the Court for an order pursuant to Section 411(4) of the Corporations Act approving the Scheme.

Shareholders means the holders of Norton Shares.

Shares means fully paid ordinary shares.

Shareholders means the holders of Shares.

Superior Proposal means a publicly announced bona fide Third Party Proposal received after the date of the Scheme Implementation Agreement which the Independent Board Committee acting in good faith and reasonably (after consultation with its legal and financial advisers)) determines is:

(a) reasonably capable of being completed on a timely basis taking into account all aspects of the Third Party Proposal, including any approval requirements under the Third Party Proposal having regard to Zijin’s existing shareholding in the Norton; and

(b) more favourable to Scheme Participants (as a whole, excluding Zijin) than the Scheme (taking into account, among other things, all legal, financial, regulatory and other aspects of the Third Party Proposal and the identity of the offeror).

Technical Specialist means Snowden Mining Industry Consultants Pty Ltd.

Technical Specialist Report means the report of the Technical Specialist dated 2 April 2015 contained within the Independent Expert’s Report.

Third Party Proposal means:

(a) a transaction which, if completed, would mean a person (other than Zijin or Jinyu) would, directly or indirectly:

(1) acquire all or a substantial part of the assets or business of the Norton Group;

(2) acquire a Relevant Interest in 10% or more of Norton’s voting shares or of the share capital of any of its Related Bodies Corporate or enter into any cash settled equity swap or other derivative contract arrangement in respect of (when aggregated with any shareholding) 10% or more of the relevant company’s share capital; or

(3) acquire Control of Norton;

(b) a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, purchase of main undertaking or other business combination involving Norton and/or its Related Bodies Corporate;

(c) a transaction involving the formation of a dual listed company structure, stapled security structure or other form of synthetic merger having the same or substantially the same effect as a takeover bid for, or scheme of arrangement in respect of, Norton and/or its Related Bodies Corporate; or

(d) any agreement, arrangement or understanding requiring Norton to abandon, or otherwise fail to proceed with, the Scheme or which is otherwise prejudicial to the Scheme.

Total Scheme Consideration means the total aggregate maximum amount of cash that Jinyu would be required to pay all Scheme Participants for the Scheme Shares under the Scheme.

Zijin means Zijin Mining Group Co., Limited.

Zijin Group means Zijin and each of its Related Bodies Corporate, including Jinyu.

Zijin Information means all information regarding Zijin and the Zijin Group, provided by or on behalf of Zijin to Norton or the Independent Expert to enable the Scheme Booklet to be prepared and completed and applications for Regulatory Approvals to be made including all of the information in Section 6.

10.2 Interpretation

In this Scheme Booklet (including the schedules), except where the context otherwise requires:

(a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any statutory instrument issued under, that legislation or legislative provision;

(b) a word denoting the singular number includes the plural number and vice versa;

(c) a word denoting an individual or person includes a corporation, firm, authority, government or governmental authority and vice versa;

(d) a word denoting a gender includes all genders;

(e) a reference (other than in the appendices) to a Clause is to a Clause of this Scheme Booklet; a reference to a schedule is to a schedule to this Scheme Booklet; and schedules to this Scheme Booklet form part of this Scheme Booklet;

(f) a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;

(g) a reference to any party to the Scheme, or any other document or arrangement, includes that party's executors, administrators, substitutes, successors and permitted assigns;

(h) a reference to a "subsidiary" of a body corporate is to a body corporate which is a subsidiary of the first-mentioned body corporate under s46 of the Corporations Act;

(i) a reference to "$" or to "cents" is (unless otherwise specified) to an amount in Australian currency;

(j) a reference to the "holder" of Shares or Options at a particular time includes a reference to a person who, as a result of a dealing received by Norton or its share registry on or before that time, is entitled to be entered in the register of members as the holder of Norton Shares or Options;

(k) words and phrases defined elsewhere in this Scheme Booklet shall have the meaning there ascribed to them;

(l) words and phrases defined in the Corporations Act shall have the meaning there ascribed to them;

(m) the word "includes" in any form is not a word of limitation;

(n) headings are for convenience of reference only and do not affect interpretation; and

(o) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning.

Deloitte.

Norton Gold Fields Limited

Independent expert's report and Financial Services Guide

2 April 2015

Deloitte.

Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide (FSG) provides important information to assist you in deciding whether to use our services. This FSG includes details of how we are remunerated and deal with complaints.

Where you have engaged us, we act on your behalf when providing financial services. Where you have not engaged us, we act on behalf of our client when providing these financial services, and are required to give you an FSG because you have received a report or other financial services from us. The person who provides the advice is an Authorised Representative (AR) of Deloitte Corporate Finance Pty Limited (Deloitte Corporate Finance), which authorises the AR to distribute this FSG. Their AR number is included in the report which accompanies this FSG.

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We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

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How are we and all employees remunerated?

We will receive a fee of approximately $110,000 exclusive of GST in relation to the preparation of this report. This fee is not contingent upon the success or otherwise of the proposed scheme of arrangement between Norton Gold Fields Limited and Zijin Mining Group Co. Limited.

Other than our fees, we, our directors and officers, any related bodies corporate, affiliates or associates and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary and while eligible for annual salary increases and bonuses based on overall performance they do not receive any commissions or other benefits as a result of the services provided to you. The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

We are ultimately controlled by the Deloitte member firm in Australia (Deloitte Touche Tohmatsu). Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

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If you have any concerns regarding our report or service, please contact us. Our complaint handling process is designed to respond to your concerns promptly and equitably. All complaints must be in writing to the address below.

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The Complaints Officer	Financial Ombudsman Services
PO Box N250	GPO Box 3
Grosvenor Place	Melbourne VIC 3001
Sydney NSW 1220	info@fos.org.au
complaints@deloitte.com.au	www.fos.org.au
Fax: +61 2 9255 8434	Tel: 1300 780 808
	Fax: +61 3 9613 6399

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services provided by us. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

1 February 2013

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Independent Directors
Norton Gold Fields Limited
Level 36 Exchange Plaza
2 The Esplanade
Perth WA 6000

2 April 2015

Dear Directors

Independent expert's report

Introduction

On 13 January 2015 (the Announcement Date), Norton Gold Fields Limited (Norton or the Company), together with the Board of Zijin Mining Group Co. Ltd (Zijin), announced a proposal under which Zijin, would acquire all of the issued Norton shares that Zijin does not already own, via a scheme of arrangement (the Proposed Scheme). If the Proposed Scheme is approved, holders of Norton shares other than Zijin (Non-Associated Shareholders) will receive consideration of AUD0.20 per Norton share upon completion, which is expected to occur in May 2015.

On 26 February 2015, Zijin notified Norton that it had nominated its wholly owned subsidiary, Jinyu (H.K.) International Mining Company Limited (Jinyu) as the acquiring company. All references to Zijin are therefore references to either Zijin or Jinyu, as the context requires.

Upon completion of the Proposed Scheme, Norton will become a wholly owned subsidiary of Zijin and will subsequently be delisted from the Australian Securities Exchange (ASX). The board of Norton has prepared a scheme booklet containing the detailed terms of the Proposed Scheme (the Scheme Booklet) and an overview of the Proposed Scheme is provided in Section 1 of our detailed report.

Purpose of the report

The directors of Norton that are unrelated to Zijin (the Independent Directors) have requested that Deloitte Corporate Finance provide an independent expert's report advising whether, in our opinion, the Proposed Scheme is in the best interests of the Non-Associated Shareholders. The Independent Directors have also requested Deloitte Corporate Finance to provide an opinion on whether any collateral benefits are being provided to Dianmin Chen, the CEO of Norton, in relation to the cancellation of options he holds, to induce him to vote in favour of the Proposed Scheme.

Proposed Scheme

Regulation 5.1.01 and Schedule 8, Part 3 of the Corporations Act 2001 (Part 3) regulates schemes of arrangement between companies and their shareholders. Part 3 prescribes the information to be provided to shareholders in relation to schemes of arrangement. These provisions require the preparation of a report by an independent expert stating whether or not, in the expert's opinion, the proposed scheme is in the best interests of the shareholders of the company subject to the scheme where either:

- the corporation which is party to the scheme (Zijin) has a director in common with the company subject to the scheme of arrangement (Norton)
- the corporation which is the other party to the scheme is entitled to more than 30% of the voting shares in the company subject to the scheme.

As Zijin has more than 30% of the voting Norton shares and has two directors in common with Norton, there is a legal requirement for an independent expert's report under Part 3.

We have prepared this report having regard to Part 3 and Australian Securities and Investments Commission (ASIC) Regulatory Guide 111 and ASIC Regulatory Guide 112.

Collateral benefit

Section 623 of the Corporations Act 2001 (Section 623) prohibits an offeror from providing collateral benefits to induce a shareholder to accept an offer. This rule is intended to ensure the equality of treatment of all shareholders.

ASIC Regulatory Guide 9 provides guidance on the evaluation of potential collateral benefits, including that the overall circumstances giving rise to the benefit and the nature of the benefit should be considered as well as whether a net benefit accrues to the shareholder in question.

The collateral benefit rule in Section 623 does not strictly apply to schemes of arrangement, however the views of ASIC and the courts are that it is relevant to schemes of arrangement that have the same effect as a takeover offer.

This report is to be included in Schedule 1 of the Scheme Booklet, to be sent to shareholders and has been prepared for the exclusive purpose of assisting Non-Associated Shareholders in their consideration of the Proposed Scheme. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the Non-Associated Shareholders and Norton, in respect of this report, including any errors or omissions however caused.

Basis of evaluation

Schemes of arrangement can include many different types of transactions, including being used as an alternative to a Chapter 6 takeover bid. The basis of evaluation selected by the expert must be appropriate for the nature of each specific transaction.

Section 640 of the Corporations Act 2001 (Section 640) requires an independent expert's report in connection with a takeover offer to state whether, in the expert's opinion, the takeover offer is fair and reasonable. Where the scheme of arrangement has the same effect as a takeover, the form of analysis used by the expert should be substantially the same as for a takeover bid; however, under Schedule 8, clause 8303 of the Corporations Regulations the opinion reached should be whether the proposed scheme is 'in the best interests of the members of the company'. Accordingly, if an expert were to conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the proposed scheme is in the best interests of the members of the company. If an expert were to conclude that the proposal was 'not fair but reasonable', it is open to the expert to conclude whether the proposal is in the best interests of the members of the company. If the expert concludes that the proposal is 'neither fair nor reasonable' then the expert would conclude that the proposal is not in the best interest of members.

ASIC Regulatory Guide 111

This regulatory guide provides guidance in relation to the content of independent expert's reports prepared for a range of transactions.

ASIC Regulatory Guide 111 refers to a 'control transaction' as being the acquisition (or increase) of a controlling stake in a company that could be achieved, for example, by way of a takeover offer, scheme of arrangement, approval of an issue of shares using item 7 of s611, a selective capital reduction or selective buy back under Chapter 2J.

Under ASIC Regulatory Guide 111 a control transaction (such as the Proposed Scheme) is:

- fair, when the value of the consideration is equal to or greater than the value of the shares subject to the proposed scheme. The comparison must be made assuming 100% ownership of the target company (i.e. including a control premium)
- reasonable, if it is fair, or despite not being fair, after considering other significant factors, non-associated shareholders should accept the offer under the proposed scheme, in the absence of any higher bids.

To assess whether the Proposed Scheme is in the best interests of Non-Associated Shareholders, we have adopted the test of whether the Proposed Scheme is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in ASIC Regulatory Guide 111.

Fairness

ASIC Regulatory Guide 111 defines an offer as being fair if the value of the offer price is equal to or greater than the value of the shares being the subject of the offer. The comparison must be made assuming 100% ownership of the target company.

The Norton shares have been valued at fair market value, which we have defined as the amount at which the shares would be expected to change hands between a knowledgeable and willing but not anxious buyer and a knowledgeable and willing but not anxious seller, neither of whom is under any compulsion to buy or sell. Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation of a Norton share has not been premised on the existence of a special purchaser.

We have assessed whether the Proposed Scheme is fair by comparing the value of a Norton share with the value of the consideration to be received from Zijin. We have assessed the value of each Norton share by estimating the current fair market value of Norton on a control basis and dividing this value by the number of shares on issue.

Reasonableness

ASIC Regulatory Guide 111 considers an offer in respect of a control transaction to be reasonable if either:

- the offer is fair
- despite not being fair, but considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

Summary and conclusion

In our opinion the Proposed Scheme is fair and reasonable, and therefore in the best interests of Non-Associated Shareholders. In arriving at this opinion, we have had regard to the following factors.

The Proposed Scheme is fair

According to ASIC Regulatory Guide 111, in order to assess whether the Proposed Scheme is fair, we are required to compare the fair market value of a Norton share on a control basis with the fair market value of the consideration under the Proposed Scheme. The Proposed Scheme is fair if the value of the consideration is equal to or greater than the fair market value of a Norton share.

Set out in the table below is a comparison of our assessment of the fair market value of a Norton share with the consideration offered by Zijin under the Proposed Scheme.

Table 1

	Low (AUD)	High (AUD)
Estimated fair market value of a Norton share (Section 3)	0.16	0.25
Estimated fair market value of consideration offered (Section 1)	0.20	0.20

Source: Deloitte Corporate Finance analysis

The consideration offered by Zijin falls within our valuation range. Accordingly it is our opinion that the Proposed Scheme is fair.

We note that our range in value of a Norton share is wide. This is due to uncertainty regarding Norton’s ability to access, process and extract high-grade ore from its exploration assets. Wide valuation ranges are not unusual for assets of this nature.

We also note that our valuation of a Norton share is highly sensitive to the gold price assumption used, hence the value range can change significantly with relatively small changes in the gold price. An increase of more than USD68/oz would result in the low end of our valuation range increasing to above AUD0.20, and make the Proposed Scheme unfair. Conversely, a decrease of more than USD72/oz would result in the high end of our valuation range dropping below AUD0.20 and make the Proposed Scheme fair across the whole range.

Valuation of Norton

We have estimated the fair market value of a Norton share by applying the sum of the parts method, which estimates the value of Norton by valuing the various assets and liabilities of Norton and aggregating those values. In addition, we have considered the resource multiple implied by our sum of the parts valuation of Norton to provide additional evidence of the fair market value of a Norton share.

Paddington Project

We have valued the Paddington Project by applying the discounted cash flow method based on the financial model (the Model) provided by Norton management (Management). The Model comprises of cash flow forecasts until 2021, based on the mining of reserves from tenements currently in production over the life of mine (LOM). Snowden Mining Industry Consultants Pty Ltd (Snowden) was engaged to assess the reasonableness of the technical assumptions underlying the cash flows. The cash flows have been discounted at a discount rate appropriate for a gold mining operation of this nature.

Paddington Project additional resources and exploration assets

Snowden was engaged to value the additional resources and exploration assets at the Paddington Project, the cash flows for which have not been explicitly included in the Model. They have valued the additional resources on a comparable transaction basis and the exploration assets on a Kilburn Geo-scientific basis.

Bullabulling resources and exploration assets

Snowden was engaged to value the resources and exploration assets at Bullabulling Gold Project (Bullabulling). They have valued the resources on a comparable transaction basis and the exploration assets on a Kilburn Geo-scientific basis.

Mount Morgan contingent consideration

Norton has sold the Mount Morgan and Many Peaks projects to Carbine Resources Limited (Carbine). The consideration from the sale remains contingent on future milestone events. We have valued the contingent consideration by applying the discounted cash flow method to the estimated future cash receipts from Carbine. Probability factors were attributed to the estimated cash flows to account for uncertainty regarding the achievement of the project milestones and the future cash flows were then discounted at a discount rate appropriate for a pre-development stage gold tailings operation.

Corporate costs

Forecast corporate costs were not included in the Model. We have assumed that corporate costs will continue to be incurred by Norton beyond the Model's LOM, based on the assumption that Norton will continue to prove up additional reserves and thereby bring the additional resources and exploration assets into production over time. We have valued corporate costs on a perpetuity basis, based on sustainable cost estimates provided by management.

Surplus assets

Surplus assets comprise of Norton's shareholding in Phoenix Gold Limited (Phoenix) (the Phoenix Investment), a company listed on the ASX, and cash provided as collateral against rehabilitation guarantees. We have valued the Phoenix Investment based on the current trading price of the listed share and have valued the security deposit at face value. The security deposit will be set off against the rehabilitation provision when incurred.

Net debt

Net debt comprises of short and long term borrowings and cash on hand. We have valued net debt at its face value as presented in the most current financial management accounts.

Table 2

	Unit	Low	High
Paddington Project	AUD'000	234,969	237,826
Paddington additional resources and exploration potential	AUD'000	63,150	128,400
Bullabulling resources and exploration potential	AUD'000	20,980	34,740
Mount Morgan contingent consideration	AUD'000	4,312	7,549
Corporate costs	AUD'000	(46,667)	(46,667)
Enterprise value	**AUD'000**	**276,745**	**361,848**
Surplus assets	AUD'000	3,749	3,749
Net debt	AUD'000	(133,774)	(133,774)
Equity value (on a control basis)	**AUD'000**	**146,720**	**231,824**
Number of shares on issue	'000	931,851	931,851
Value per Norton share (on a control basis)	**AUD**	**0.16**	**0.25**

Source: Deloitte Corporate Finance analysis

The Proposed Scheme is reasonable

In accordance with ASIC Regulatory Guide 111 an offer is reasonable if it is fair. An offer might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for non-associated shareholders to accept the offer in the absence of any higher bid before the close of the offer.

The Proposed Scheme is fair and therefore it is also reasonable.

We have also considered the following factors in assessing the reasonableness of the Proposed Scheme:

Zijin has control of Norton and therefore alternative offers are unlikely

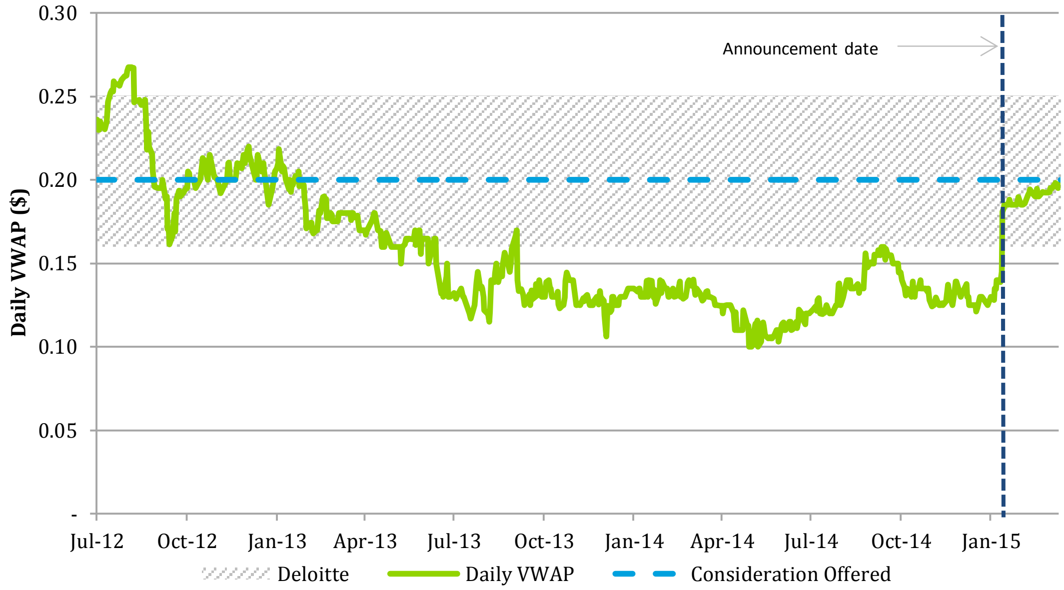
Zijin holds a controlling interest (82.43%) in Norton. Norton has not received any alternative offers but, if any alternative offers were to be received, they would be unsuccessful without Zijin's support. In these circumstances, it is highly unlikely that alternative offers will be received.

Shareholders are receiving a premium to Norton's share price prior to the announcement of the Proposed Scheme

Over the twelve months to the Announcement Date, Norton shares traded within a Volume Weighted Average Price (VWAP) range of AUD0.10 to AUD0.16 per share, measured on a 1 day VWAP basis, and within a range of AUD0.11 to AUD0.13 per share, measured on a quarterly VWAP basis.

The consideration offered under the Proposed Scheme of AUD0.20 cash per Norton share represents a premium of between 25% and 100% over the ASX trading prices (measured on a 1 day VWAP basis) and a premium of between 55% and 90% (measured on a quarterly VWAP basis) during the 12 month period prior to the Announcement Date.

Figure 1



Source: Deloitte Corporate Finance analysis

In the absence of the Proposed Scheme Norton shares may trade significantly below current levels

The closing share price on the day prior to the Announcement Date was AUD0.14 per share. Since the Announcement Date, Norton's shares have traded (including intraday trades) in the range of AUD0.18 to AUD0.20 per share, an increase of 28% to 43% compared with the closing Norton share price prior to the Announcement Date.

It is common for the share price of a target company the subject of a takeover transaction to trade at or around the consideration offered during the transaction period, particularly if the market has formed the view that the transaction will proceed at that price. It is also not uncommon for the share price to fall back to pre-announcement levels or lower if the transaction is unsuccessful.

In the event that the Proposed Scheme is unsuccessful and in the absence of an alternative offer, Norton's share price may decline to the levels at which it traded prior to the Announcement Date.

The Proposed Scheme allows Non-Associated Shareholders to immediately realise their investment

The Proposed Scheme allows Non-Associated Shareholders to immediately realise their investment in Norton for a known cash amount, at a premium to the traded share price prior to the Announcement Date. If the Proposed Scheme is approved Non-Associated Shareholders will no longer face the future risks associated with Norton's dependence on Zijin to fund the required exploration commitments and future development of its mineral assets, and the uncertainty over if and when Norton may pay dividends.

Norton's shares are highly illiquid and over the 12 months preceding the Announcement Date only 3.5% of the total shares on issue (and 20% of the free float) were traded. If Non-Associated Shareholders approve the Proposed Scheme, they will exit their investment in a single transaction without the risks associated with realising their investment in an illiquid market.

Loss of exposure to producing and gold exploration assets at the Paddington Project and Bullabulling

If the Proposed Scheme is successful, Non-Associated Shareholders will forego any additional upside benefit resulting from the successful implementation of management's strategy to become a substantial and sustainable low-cost gold producer that is not yet factored into the share price. However, there are several broadly comparable companies listed in Australia and internationally in which Non-Associated Shareholders can invest the proceeds from the sale of their Norton shares, to gain similar exposure.

Opinion

In our opinion, the Proposed Scheme is fair and reasonable to Non-Associated Shareholders and therefore the Proposed Scheme is in the best interests of Non-Associated Shareholders.

In forming our view on fairness, we note that the value of a Norton share is highly sensitive to the gold price assumption used, hence the value range can change significantly with relatively small changes in the gold price and the consideration offered can fluctuate between being fair and not fair. However, we note that the reasonableness factors we considered are significant, particularly the extent of Zijin's controlling interest, the consequent illiquidity of the shares and the likelihood that the shares will revert to trading well below the consideration offered if the Proposed Scheme fails.

An individual Non-Associated shareholder's decision in relation to the Proposed Scheme may be influenced by his or her particular circumstances. If in doubt the Non-Associated shareholder should consult an independent adviser, who should have regard to their individual circumstances.

Collateral Benefit

Dianmin Chen, the CEO of Norton, is a shareholder in Norton and, through an associate, holds 8,000,000 unlisted options (the OPT1 options) exercisable at AUD0.241 each on or before 22 August 2017. The OPT1 options were issued as part of his remuneration package. The Proposed Scheme provides for the OPT1 options to be cancelled under a Cancellation Deed, which is conditional on the Proposed Scheme becoming effective. The OPT1 options will be cancelled for a cash consideration of AUD200,000.

To determine whether a collateral benefit has been provided to Dianmin Chen to induce him to vote in favour of the Proposed Scheme, we have assessed whether the consideration of AUD200,000 exceeds the value of the OPT1 options, and we have also considered whether the nature and overall circumstances of the Cancellation Deed give rise to a collateral benefit.

Our valuation of the OPT1 options is in the range of AUD315,000 to AUD435,000. The AUD200,000 consideration to be paid to the associate of Dianmin Chen for the cancellation of the OPT1 options is therefore less than the value of the OPT1 options. We also consider that the nature and overall circumstances of the Cancellation Deed do not give rise to a collateral benefit. We are therefore of the opinion that no collateral benefit has been provided to Dianmin Chen to induce him to vote in favour of the Proposed Scheme.

These opinions should be read in conjunction with our detailed report which sets out our scope and findings.

Yours faithfully

Nicki Ivory
Authorised Representative
AR number 461005

Robin Polson
Authorised Representative
AR number 461010

Glossary

Reference	Definition
ABC	Agricultural Bank of China
AFSL	Australian Financial Services Licence
Announcement Date	13 January 2015 which is the date on which the Proposed Scheme was announced
APESB	Accounting Professional and Ethical Standards Board Limited
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD	Australian dollars
AUASB	Auditing and Assurance Standards Board
bps	Basis points
β	beta
C1 costs	Mine specific operational costs – mining, waste, processing, haulage, general and admin
CAPM	Capital Asset Pricing model
Carbine	Carbine Resources Limited
CIP	Carbon-in-pulp
COMEX	Commodities Exchange
CPI	Consumer price inflation
cps	Cents per share
Deloitte Corporate Finance	Deloitte Corporate Finance Pty Limited
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EMRP	Equity Market Risk Premium
EXG	GPM Resources Pty Ltd / Excelsior / Karlgoorlie North Gold Project
FICS	Financial Industry Complaints Service
FSG	Financial Services Guide
FY	Financial year
GFC	Global Financial Crisis
IBIS	IBIS World Pty Ltd
ICAA	Institute of Chartered Accountants in Australia
ICBC	Industrial and Commercial Bank of China Limited
Independent Directors	Directors of Norton who are unrelated to Zijin
Jinyu	Jinyu (H.K.) International Mining Company Limited
JORC	Joint Ore Reserves Committee
K_d	Cost of debt capital
K_e	Cost of equity capital
KMC	Kalgoorlie Mining Co. Limited
koz	Thousand ounces
LBMA	London Bullion Market Association
LOM	Life of mine
Management	Management of Norton
Model	Financial model provided by Management
Moz	Million ounces
Mtpa	Million tonnes per annum
Non-Associated Shareholders	Existing holders of Norton shares other than Zijin
Norton	Norton Gold Fields Limited
NPAT	Net profit after tax
NTA	Net tangible assets
NYMEX	New York Mercantile Exchange
OPT1	8,000,000 unlisted options exercisable issued as part of the remuneration package to an associate of Dianmin Chen
OPT2	72,246,764 unlisted options issued by Norton as consideration for its acquisition of KMC
Oz	Ounces
Part 3	Part 3 of Section 411 of the Corporations Act 2001

Reference	Definition
PDS	Product Disclosure Statement
Phoenix	Phoenix Gold Limited
Proposed Scheme	Zijin's Proposed Scheme to acquire all of the outstanding Norton shares which it does not already own
RBM	Raging Bull Metals Pty Ltd
R_f	Risk free rate of return
R_m	Expected return on the market portfolio
Section 411	Section 411 of the Corporations Act 2001
Snowden	Snowden Mining Industry Consultants Pty Ltd
SWOT	Strengths, weaknesses, opportunities and threats
Technical Assumptions	Technical assumptions adopted in the financial model and reviewed by Snowden
tpa	Tonnes per annum
USD	US dollars
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
Zijin	Zijin Mining Group Co. Limited

Contents

1 Overview of the Proposed Scheme

1.1 Summary

On the Announcement Date Norton announced that it had received a non-binding, indicative proposal from its majority shareholder, Zijin, to acquire all outstanding Norton shares that it did not already own for AUD0.20 per share. As at the Announcement Date, Zijin held 82.43% of the outstanding Norton shares.

Norton and Zijin entered into a binding Scheme Implementation Agreement (SIA) on 6 February 2015. If the Proposed Scheme is approved by the Non-Associated Shareholders and subsequently by the Federal Court of Australia, Zijin will own all of the Norton shares and Norton will be delisted from the ASX.

On 26 February 2015, Norton received notice from Zijin nominating Jinyu as the acquiring entity. All references to Zijin in this report are therefore references to either Zijin or Jinyu, as the context requires.

1.2 Background of Zijin

Zijin is a large state-owned mining company based in the Fujian Province in the People's Republic of China (China). Zijin has a diversified portfolio of mineral assets in gold, copper, lead, zinc, tungsten, iron ore and other base metals; however its focus is on gold assets. Zijin is one of China's largest gold mining companies and is listed on the Shanghai Stock Exchange and Hong Kong Stock Exchange with a market capitalisation of AUD13.9 billion as at the Announcement Date.

In 2013, Zijin's sales revenue and EBITDA was AUD8.4 billion and AUD1.3 billion respectively, based on the average exchange rate for the 2013 financial reporting period.

Zijin currently holds 82.43% of the Norton shares.

1.3 Key conditions of the Proposed Scheme

The Proposed Scheme is subject to various conditions being satisfied, the most significant of which include the following:

- Approval of the Proposed Scheme by at least 50% of the Non-Associated Shareholders, representing at least 75% of the total votes cast
- Foreign Investment Review Board (FIRB) approval, which was subsequently received on 25 February 2015
- ASX and ASIC approval
- Approval from the National Development and Reform Commission (approval received on 25 February 2015), the State Administration of Foreign Exchange and the Ministry of Commerce of the People's Republic of China
- An independent expert concludes the Proposed Scheme is in the best interest of the Non-Associated Shareholders
- No material adverse change occurs
- Approval of the Proposed Scheme is received from the Federal Court of Australia.

1.4 Intentions if the Proposed Scheme proceeds

Given Zijin's current position as controlling shareholder, the expectations are that Norton will continue to pursue its current strategy of securing high grade deposits, increasing processing capacity and continuing to reduce costs.

Refer to section 2.5 for a detailed description of Management's future strategy.

2 Profile of Norton

2.1 Introduction

Norton is engaged in the production of and exploration for gold, primarily in the Goldfields region of Western Australia. In 2014, Norton produced 178,269 oz of gold from its flagship Paddington Project, making the company one of Australia's largest gold producers.

Norton listed on the ASX in 2005 and had a market capitalisation of AUD135.1 million as at the Announcement Date.

Zijin currently holds an 82.43% majority interest in Norton as a result of a takeover offer launched in April 2012, in which Zijin acquired 72.17% of Norton's shares by way of an all cash consideration of AUD0.27 per Norton share.

2.2 Management and strategy

Management has indicated that at the time of the takeover offer by Zijin in April 2012, the Paddington Project was operating at a level of production costs of between AUD1,300-AUD1,400/oz and development costs of between AUD7,000-AUD8,000/metre. By December 2012, a new management team had been put in place, comprising:

- Dianmin Chen – CEO
- Steven Phan – CFO
- Richard Jones – Company secretary and legal
- Terry Moylan – GM project and business development (had been with Norton since 2010)
- Cullum Winn – GM operations
- Peter Ruzicka – GM exploration and existing employee at Norton
- Guy Simpson – GM technical services.

The new management team developed and implemented a new strategic approach for Norton with three major priorities:

- Improve feed grade quality
- Change throughput blend in order to increase production volumes
- Reduce production costs.

The strategy has resulted in the following improvements:

- Average feed grade improved from 1.3 to 1.7 grams of gold/ton of ore
- Milling increased from 3.5Mtpa to 3.7Mtpa and production has increased from approximately 172,000oz in 2013 to 178,000oz in 2014
- Production costs have reduced from approximately AUD1,400/oz to below AUD920/oz and development costs from approximately AUD8,000 to below AUD5,000/metre
- In addition, total resources have been increased to and maintained at more than 1 million ounces (Moz) of reserves and more than 10Moz of resources.

These improvements were mainly due to:

- Total investment of approximately AUD300 million (from internally generated cash flows and external funding sources) for the acquisition of additional higher grade deposits in order to expand Norton's resource base and to increase the volumes produced (refer to section 2.3 below)
- Changing from a renting model to an owned assets model and from contracted maintenance to in-house maintenance
- Renegotiating major supplier contracts on more favourable terms
- Improving staff morale as a result of improved views on job security and the implementation of clear and measurable KPIs.

2.3 Recent acquisitions and joint ventures

The key transactions undertaken by Norton in recent years include:

- Acquisition of all the outstanding shares of Kalgoorlie Mining Company Limited (KMC) in April 2013 in a share transaction whereby KMC shareholders received 0.054 Norton shares and 0.054 options (exercisable at AUD0.27 per share on or before 30 April 2015) for each KMC share sold. KMC's primary asset was the Bullant underground gold mine, which is located within 30 kilometres of Norton's existing Paddington Project.
- Acquisition of 100% of the Western Australian gold exploration company, Bullabulling Gold Limited, in September 2014 for an all cash offer of 8 cents per share (cps) (AUD28 million in total). Prior to the finalisation of this takeover, Norton owned an effective 2.5% interest in the 3.7Moz Bullabulling gold project.
- Acquisition of the Mount Jewell project in November 2014 from KalNorth Gold Mines for ASD1.8 million. This exploration stage project is also located in the Goldfields region of Western Australia
- In October 2014, Norton entered into a processing agreement with GPM Resources Pty Limited, a wholly-owned subsidiary of Excelsior Gold Limited (EXG), whereby EXG would supply 500,000 tonnes per annum (tpa) of high grade ore from its Excelsior project for processing at the Paddington Mill. As part of the arrangement EXG will also co-invest up to AUD12.5 million in the mill's upgrade, which will enable Paddington to increase milling volumes from the current 3.7 million tonnes per annum (Mtpa) to 4.0Mtpa
- Acquisition of an 11.3% interest in Phoenix in December 2014 at a price of AUD0.083 per share. Phoenix is ASX-listed and owns the Castle Hill gold tenement, approximately 50 kilometres north of Kalgoorlie. Phoenix owns the land but Norton has the processing rights, which are legacy rights retained by the original owner, Placer Dome, at the time of its disposal of the land to junior miners. At the time of the acquisition, Norton announced that it had no intention to make a takeover offer for Phoenix. Norton's shareholding has subsequently been diluted to its current 9.97% shareholding.

2.4 Principal assets

2.4.1 Paddington Project

Norton's primary gold producing operation is the wholly-owned Paddington Project, which consists of the following:

- The 3.3Mtpa Paddington Mill (currently processing 3.7Mtpa), which is located approximately 35 kilometres north-west of Kalgoorlie, Western Australia
- The Paddington tenement package covering an area of approximately 1,091 square kilometres and containing proven and probable reserves of 1.11Moz contained gold metal.[1]

Norton acquired the Paddington Project from the Barrick Group in April 2007.

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[1] Norton Mineral Resource & Ore Reserve Update, January 2015

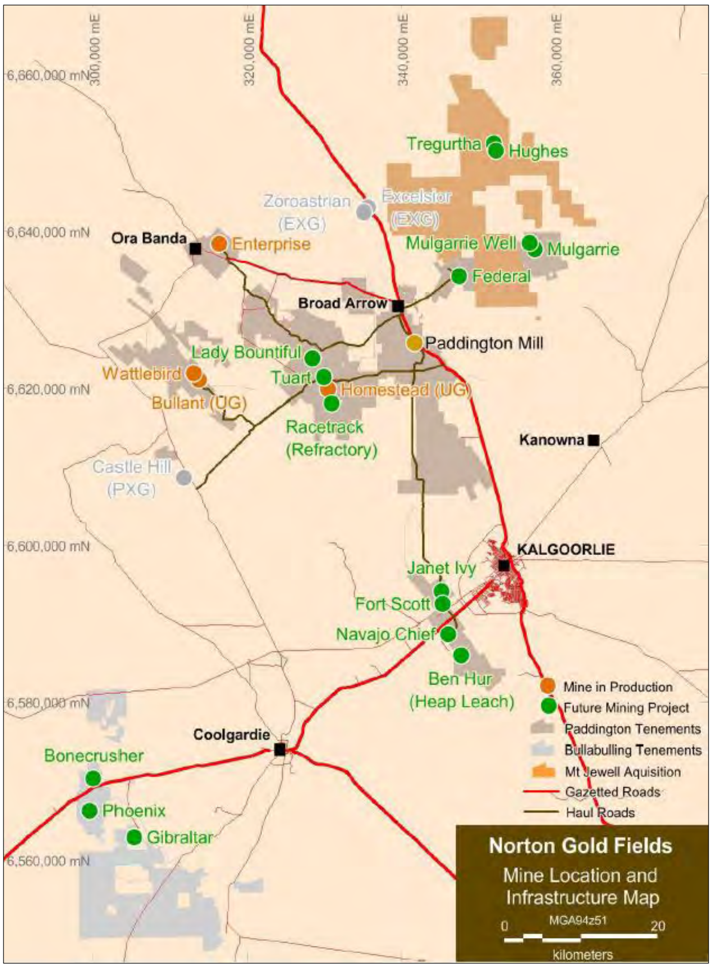
The largest producing mines in the Paddington tenement package include the Enterprise open pit, Homestead underground and Bullant underground mines.

- Enterprise mine (Ora Banda Project) currently supplies the majority of the ore processed at the Paddington Mill and is supplemented by the small Wattlebird open pit mine, which commenced mining in mid-2014
- Homestead underground mine (Mount Pleasant Project) includes the Black Flag West Vein which has been material in boosting mine grade and volume, producing 59,178oz in 2014, which was 5,615oz above budget
- Bullant underground mine, acquired through Norton's takeover of KMC in April 2013, producing 12,505oz in 2014, which was 8,881oz above budget.

The Paddington Project had 1.11Moz of Joint Ore Reserves Committee (JORC) Ore Reserves and 7Moz of JORC Mineral Resources as at 31 December 2014.

The Paddington Project, including the acquired assets, is illustrated in the figure below.

Figure 2



Source: Norton

2.4.2 Bullabulling

Bullabulling was acquired in late 2014, through the takeover of Bullabulling Gold Limited. The project is located 70 kilometres southwest of Kalgoorlie and consists of 189 square kilometres of tenements subject to granted mining, prospecting and exploration licences.

Bullabulling produced gold in the 1990s through a near-surface open pit mine. It ceased production in 1998 and all major plant and equipment was transferred to Resolute Mining Limited. In July 2013, Bullabulling Gold Limited completed a feasibility study.

The main gold mineralisation trend identified in the tenements of Bullabulling is the north-south Bullabulling Trend, which has a strike length of 8 kilometres. Bullabulling had an estimated 3.22Moz of indicated and inferred JORC mineral resources as at 31 December 2014.

Norton plans to complete a definitive feasibility study and seek board approval for commencement of development in 2015. Total investment required to develop the mine is estimated at approximately AUD500 million. The ore is mostly lower feed grade and Management believes that the gold price would need to increase to and remain above AUD1,500/oz to allow this project to generate satisfactory returns.

2.4.3 Mount Morgan and Many Peaks projects

The Mount Morgan project contains copper and gold tailings deposited during its historical production up to 1991, when it ceased production. It comprises 30 mining leases over approximately 677 hectares and is located 38 kilometres south-west of Rockhampton, Queensland. The exploration stage Many Peaks copper and gold project is located 125 kilometres south of Gladstone, Queensland.

Carbine agreed to acquire the Mount Morgan Mine, the Kundana carbon-in-pulp (CIP) Plant and the Many Peaks copper and gold exploration tenements through its subsidiary, Raging Bull Metals Pty Ltd (RBM) in April 2014.

The 1Mtpa Kundana CIP plant is located at the Paddington Project in Western Australia but intended for use in the Mount Morgan Project. Carbine will be responsible for moving it to Mount Morgan at its own cost.

The agreement envisaged a progressive acquisition allowing RBM to perform due diligence and metallurgical testing prior to exercising a right to mine. The consideration for the acquisition comprises the following payments:

- Satisfactory due diligence fee of AUD100,000, which has been paid
- An initial right to mine fee of AUD100,000, which has been paid
- A further right to mine fee of AUD300,000, due for payment by 30 June 2015
- AUD2 million, on completion of a bankable feasibility study on the project
- Deferred payments of 20% of the annual net earnings from mining operations on the Mount Morgan and Many Peaks tenements, capped at AUD12.5 million in total.

The lease holder (currently Norton or any subsequent owner) is responsible for any future environmental liabilities associated with new operations, pursuant to an agreement with the Queensland Department of Natural Resources and Mines (DNRM), but have no rehabilitation responsibilities in relation to historical excavation areas.

2.5 Future strategy

The strategy implemented in 2012, being the increase in feed grade and processing/production capacity and cost reductions, remains a priority going forward. Management has therefore:

- Budgeted for AUD10 million of exploration costs in 2015
- Targeted an increase in reserves to between 1.5Moz and 2Moz (mostly due to refractory mining) within the next 3 to 6 months and maintaining resource levels at 6Moz
- Budgeted for an AUD32 million upgrade of the Paddington mill in order to increase processing capacity to 4.0Mtpa by the end of the 2016 financial year
- Targeted an increase in production to 182,000oz to 193,000oz in the near to medium term
- Targeted a further reduction in production costs to below AUD920/oz in the near to medium term
- Planned for an increase in long-term annual production to 300,000oz in the near to medium term, mainly driven by refractory mining methodology
- Planned for capital investment of between AUD10 million and AUD20 million in the 2016 financial year on heap-leaching of lower grade ore, thereby extending current LOM.

2.6 Capital structure

Norton has the following securities on issue:

- 931,850,665 fully paid ordinary shares
- 8,000,000 unlisted options exercisable at AUD0.241 each on or before 22 August 2017, issued as part of the remuneration package to an associate of Norton's Chief Executive Officer, Dianmin Chen
- 72,246,764 unlisted options exercisable at AUD0.27 each on or before 30 April 2015 issued by Norton as consideration for its acquisition of KMC (OPT2).

Norton has AUD145.1 million in interest bearing liabilities. In December 2014, Norton refinanced an existing credit facility with the Industrial and Commercial Bank of China Limited (ICBC) into a new AUD120.0 million facility, jointly financed by ICBC and the Agricultural Bank of China Limited (ABC). The facility was used to repay the previous US dollar denominated USD105.0 million facility with the balance of the new facility utilised to fund Norton's working capital requirements. Norton also has an AUD40.0 million credit facility with ICBC, which the Company also secured in August 2014.

The terms of these credit facilities are summarised in the table below.

Table 3

(AUDm)	Facility amount	Drawn amount	Term	Margin
ICBC and ABC credit facility	120.0	120.0	3 years	ICBC:+ 2.1% ABC:+ 2.05%
ICBC	40.0	25.0	3 years	+ 2.45%

Source: Company annual reports, ASX announcements

Norton also owes a total of AUD0.5 million on finance leases.

2.6.1 Key shareholders

The following table lists the substantial shareholders of Norton as at the Announcement Date.

Table 4

Shareholder	No. of ordinary shares held	Percentage of issued shares
Zijin	768,090,563	82.4%
Goldmax Investment Limited	46,319,231	5.0%
SHL Pty Ltd	24,300,000	2.6%
ABN Amro	6,918,566	0.7%
CR Investments Pty Ltd	6,809,720	0.7%
Peter Bowman Nominees Pty Ltd	6,382,800	0.7%
JP Morgan Nominees Australia Pty Ltd	5,870,879	0.6%
Bona Sense Investment Pty Ltd	5,536,000	0.6%
Mr Roger Sing-Leong Kwok & Ms Catherine Siok-Chin Tan	4,909,613	0.5%
HSBC Custody Nominees (Australia) Pty Ltd	4,056,057	0.4%
Total top 10 shareholders	**869,193,429**	93.3%
Other shareholders	62,657,236	6.7%
Total shares outstanding	**931,850,665**	**100.0%**

Source: Norton

2.6.2 Options

All outstanding options have an exercise price higher than the consideration offered under the Proposed Scheme, making them 'out of the money'. As a condition to the Proposed Scheme, all OPT2 options will either be exercised or will lapse prior to the completion of the Proposed Scheme. The company expects the OPT2 options will lapse prior to the Proposed Scheme being approved.

OPT1 options are held by Dianmin Chen, the CEO of Norton who was appointed by Zijin. The Proposed Scheme provides for the OPT1 options to be cancelled under a Cancellation Deed, which is conditional on the Proposed Scheme becoming effective. The OPT1 options will be cancelled for a cash consideration of AUD200,000, which we consider to be immaterial.

We have therefore not included a valuation of either of the options in our sum of the parts valuation, as the financial impact of the lapsing OPT2 options and the Cancellation Deed are unlikely to be material.

We have, however, estimated the fair value of the OPT1 options to determine whether a collateral benefit has been provided to Dianmin Chen to induce him to vote in favour of the Proposed Scheme. Refer to section 4 of this report for a detailed explanation.

2.7 Share price performance

Movements in Norton's share price and trading volumes from 1 July 2012 to the Announcement Date are illustrated in the figure below, with key events and resulting share price movements discussed in Table 5.

Figure 3

Source: CapitalIQ

Table 5

Note	Date	Comments
1	20-Aug-12	Zijin, completed the acquisition of an additional 72.2% stake in Norton
2	29-Aug-12	Release of Norton's Appendix 4E for the financial year ended 30 June 2012; recording an increase in profitability of AUD15.9 million and a 43.8% reduction in debt
3	10-Oct-12	Norton entered into right-to-mine agreement with Phoenix for the Stage One development of the Cathergood gold mine
4	09-Jan-13	Norton invested AUD38 million in owner mining fleet for its underground operations at Paddington to begin replacing equipment hired from contractors
5	17-Apr-13	Norton made an off-market takeover offer to acquire KMC for AUD11.9 million. The acquisition was concluded in September 2013
6	05-Jul-13	Norton exceeds gold production guidance of 76,000 to 80,000oz by producing 85,5000oz for the January to June 2013 half year period
7	5-Sep-13	Close of off-market takeover offer for listed options in KMC
8	04-Mar-14	Norton completed the sale of the Norton Gold Mine in Queensland to Mantle Mining Corporation Limited
9	03-Apr-14	Carbine agreed to acquire Many Peaks Copper and Gold Exploration Tenements from Norton
10	17-Apr-14	Norton made an offer to acquire Bullabulling Gold Limited for AUD24.1 million.
11	5-Aug-14	Norton exercises an option to negotiate the terms of the right to mine option for Phoenix's Mick Adams-Kiora and Wadi projects
12	30-Sep-14	Norton entered into a gold forward sale program with Macquarie Bank Limited for 25,000oz of gold for delivery by the end of March 2015 at AUD1,403.472/oz
13	07-Nov-14	Norton entered into an agreement to acquire Mount Jewell Project from KalNorth Gold Mines Limited for AUD1.8 million
14	09-Dec-14	Norton agreed to acquire 11.3% stake in Phoenix for AUD3.3 million
15	13-Jan-15	Zijin made a non-binding proposal to acquire the remaining 17.6% interest in Norton that it did not already own for AUD32.8 million

Source: Company announcements, ASX

Norton's shares are highly illiquid due to Zijin's large majority interest. In the year between 14 January 2014 and the Announcement Date, only 3.5% (and 20% of the free float) of the company's total average outstanding shares were traded.

Norton's share price has been trading between 10cps and 16cps over the past 12 months. Norton's share price has, however, declined by 50% since the previous takeover offer in August 2012, largely as a result of the decline in the gold price, a decline in mining stocks generally and the lack of liquidity of the Norton shares. The USD gold price decreased by 26.8% between August 2012 and the Announcement Date. However, the AUD gold price decreased by only 14% in the same period due to the mitigating effect of depreciation of the AUD against the USD over the same period. The decline in value of Norton's shares over this period demonstrates the sensitivity of the value of the shares to changes in the gold price.

2.8 Financial performance

Table 6

(AUD'000)	Audited 12 months 30 Jun 2012	Audited 6 months 31 Dec 2012[1]	Audited 12 months 31 Dec 2013[5]	Audited 12 months 31 Dec 2014
Trading revenue	245,912	114,079	259,677	243,443
Revenue growth	*n/a[2]*	*n/a[2]*	*5.6%*	*(6.3%)*
Cost of sales	(160,879)	(96,564)	(171,705)	(157,177)
Gross profit	**85,033**	**17,515**	**87,972**	**86,266**
Gross profit margin	*34.6%*	*15.4%*	*33.9%*	*35.4%*
Other income	637	356	678	133
Administrative expenses	(9,451)	(5,136)	(9,871)	(11,817)
Impairment	-	(11,033)	(4,557)	(5,725)
Other	(10,618)	-	-	-
EBITDA[3]	**65,601**	**1,702**	**74,222**	**68,857**
EBITDA margin	*26.7%*	*1.5%*	*28.6%*	*28.3%*
Depreciation and amortisation	(40,676)	(26,076)	(45,779)	(43,764)
EBIT[4]	**24,925**	**(24,374)**	**28,443**	**25,093**
EBIT margin	*10.1%*	*(21.4%)*	*11.0%*	*10.3%*
Normalisation adjustments				
Gain on disposal of exploration assets	-	-	(300)	-
Impairment	-	11,033	4,557	5,725
Hedging loss	10,618	-	-	-
Adjusted EBITDA	**76,219**	**12,735**	**78,479**	**74,582**
Adjusted EBITDA margin	*31.0%*	*11.2%*	*30.2%*	*30.6%*
Adjusted EBIT	**35,543**	**(13,341)**	**32,700**	**30,818**
Adjusted EBIT margin	*14.5%*	*(11.7%)*	*12.6%*	*12.7%*

Source: Company annual reports, Deloitte Corporate Finance analysis
Notes
1. *Norton's reporting period changed from 30 June to 31 December to align with Zijin's financial year*
2. *n/a – not applicable*
3. *EBITDA – earnings before interest, tax, depreciation and amortisation*
4. *EBIT – earnings before interest and tax*
5. *Restated in 2014 Financial statements*

- Revenue decreased by 6.3% largely as a result of lower average gold prices in financial year (FY)14, despite Norton producing a record volume of gold during the year. Revenue generated from the sale of silver increased from AUD0.8 million to AUD2.2 million in FY14
- Despite lower revenue in FY14, Norton's gross profit margin improved slightly from 33.9% to 35.4% as a result of increased cost efficiencies in the mining and milling operations of the company. This includes improvement in the payload performance of the fleet and more efficient haulage routes
- Administrative expenses increased from AUD9.9 million to AUD11.8 million (19.2%) in FY14 mainly due to transaction costs incurred in relation to acquisition activities.
- Depreciation increased significantly in FY13 as a result of Norton replacing the underground fleet at the Paddington Project with its own fleet as opposed to a rental fleet
- Norton wrote down exploration and mining assets in FY14 by AUD5.7 million, which related mainly to costs of AUD2.7 million incurred on tenements forfeited and AUD2.8 million of deferred (unplanned) costs incurred upon the completion of the Golden Flag project
- EBITDA and EBIT margins decreased slightly as a result of increases in office expenditure, operating lease expenditure and a significant increase in director fees during FY14.

2.9 Financial position

Table 7

(AUD'000)	Audited 31 Dec 2013	Audited 31 Dec 2014
Cash and cash equivalents	38,269	19,242
Trade and other receivables	10,359	7,123
Inventories	32,107	30,621
Other	-	-
Prepayments	408	1,685
Current assets	**81,143**	**58,671**
Deferred tax assets	16,220	14,623
Exploration and evaluation assets	60,241	101, 015
Capitalised mining costs	88,039	113,541
Property, plant and equipment	98,757	96,497
Available-for-sale financial asset	-	3,987
Other assets	3,675	116
Non-current assets	**266,932**	**329,779**
Assets	**348,075**	**388,450**
Trade and other payables	29,664	32,379
Borrowings	17,017	1,483
Provisions	6,425	7,699
Other financial liability	175	-
Other liability	236	433
Total current liabilities	**53,517**	**41,994**
Borrowings	113,335	145,100
Provisions	26,279	32,338
Other liability	148	968
Non-current liabilities	**139,762**	**178,406**
Liabilities	**193,279**	**220,400**
Net assets	**154,796**	**168,050**

Source: Company annual reports, Deloitte Corporate Finance analysis

- The AUD19 million decrease in cash between 31 December 2013 and 31 December 2014 was largely due to the net increase in exploration and mine development costs (including the acquisitions of mineral properties) amounting to AUD65 million and repayment of a USD15 million short term loan facility. This was partly offset by cash flows generated from operations, an increase in borrowings by AUD32 million and an AUD8 million improvement in net working capital.
- Exploration and evaluation assets increased by AUD41 million (68.3%) primarily as a result of the acquisitions of Bullabulling, Mount Jewell project and the Bullant underground mine from KMC in FY14
- Increased development activity to complete stages 2 and 3 of the Enterprise open pit mine, as well as resource development activities at the prospective Homestead and Bullant underground mines contributed to the 28.4% increase in capitalised mining costs
- Short term borrowings decreased in FY14 as a result of Norton repaying the USD15.0 million loan facility with Gold Mountains (H.K.) International Mining Co Ltd in August 2014
- Long term borrowings increased by AUD31.8 million, (28.2%), primarily as a result of a drawdown of AUD25.0 million of the AUD40.0 million credit facility Norton secured through ICBC in December 2014.

3 Valuation of Norton

3.1 Introduction

For the purpose of our opinion, fair market value is defined as the amount at which the securities would be expected to change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither being under a compulsion to buy or sell.

Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation has not been premised on the existence of a special purchaser.

Refer to Appendix B for a detailed discussion on the various valuation methodologies which can be adopted in valuing corporate entities and businesses.

3.2 Selection of valuation methodologies

Deloitte Corporate Finance has assessed the equity value of Norton using a sum of the parts approach, which requires the aggregation of the fair market value of interests held by Norton in its production and exploration assets, corporate assets and investments, before adding the value of surplus assets and deducting net debt.

The sum of the parts methodology has been applied to the following key assets using the valuation methodologies described below:

- Paddington Project - discounted cash flow method based on the Model. Snowden has reviewed the technical assumptions in the Model and provided advice to Deloitte Corporate Finance on the appropriateness of the assumptions
- Paddington additional resources and exploration assets – Snowden has been engaged to assess the value of attributable resources not included in the Model and other exploration assets. Snowden's valuation is based on a number of valuation methodologies including market and cost based approaches
- Bullabulling project resources and exploration assets – Snowden has been engaged to assess the value of attributable resources and exploration assets. Snowden's valuation is based on a number of valuation methodologies including market and cost based approaches
- Mount Morgan contingent consideration – a probability based discounted cash flow method based on estimated future contingent consideration to be received under the sale agreement with Carbine
- Corporate costs - discounted cash flow method based on estimates provided by Management
- Surplus assets - based on the current trading price of the listed securities and face value of restricted cash which is not available to the shareholders and will be set off against rehabilitation related obligations
- Net debt position - based on the current face value of cash on hand and amounts due under short and long term borrowings as presented in the most current financial management accounts.

In addition, we have also considered the reserve and resource multiples implied by our valuation to provide additional evidence of the fair market value of the Norton shares.

3.3 Appointment and role of the technical expert

Snowden was engaged as a technical expert to assist us in our assessment of the value of Norton's assets. Their work included:

- input and advice on the appropriateness of assumptions (the Technical Assumptions) adopted in the Model, including
  - the level of reserves and resources contained in the model
  - production profiles
  - production rates (ore milled, feed grade, recovery rates)
  - operating expenditure, including rehabilitation and abandonment costs
  - capital expenditure
- estimating the fair market value of the additional resources relating to the Paddington Project not included in the Model
- estimating the fair market value of Norton's exploration assets.

Snowden prepared its technical report having regard to the "Code for Technical Assessment and Valuation of Minerals and Petroleum Assets and Securities for Independent Expert Reports" (VALMIN code). The scope of Snowden's work was controlled by Deloitte Corporate Finance. A copy of Snowden's report is provided in Appendix H.

3.4 Sum of the parts valuation

3.4.1 Paddington Project

We have adopted the discounted cash flow method to value the Paddington Project. The discounted cash flow method estimates fair market value by discounting a company's future cash flows to their net present value.

Management has prepared detailed cash flow projections for the Paddington Project based on the current strategic mine plan. The cash flow projections comprise projections of real after tax cash flows up to and including the year ending 2021, when current proven and probable reserves are expected to be depleted.

Our discounted cash flow valuation has considered the technical and operating characteristics of the Paddington Project. In our assessment of those characteristics and the reasonableness of the Model, we have identified a number of factors that underpin the reliability of the cash flow forecasts.

The Paddington Project has a long operating history which provides support for technical and operational assumptions included in the Model, which contemplates a LOM of 6 years. Total LOM production does not include all attributable resources of the project. We have therefore added the value of these additional resources to effectively incorporate potential cash flow generation beyond the forecast LOM period.

For the first two years of the LOM, Norton has a forward sales program in place for 54% (200,000oz over the two year period) of forecast production at a weighted average price of AUD1,485/oz, which represents a discount of AUD71/oz and AUD80/oz to our forecast 2015 and 2016 AUD gold spot price respectively.

Snowden has reviewed the assumptions included in the Model and considers them to be reasonable. The assumptions reviewed by Snowden include reserves, ore grade, capital costs, operating costs and process recoveries.

Snowden is also of the view that there is sufficient flexibility in Norton's operations to absorb a further decline in the gold price. This includes tolling other higher grade deposits located nearby, like the processing agreement in place with EXG.

We have also assessed the risks to specific assumptions regarding future changes that are planned. There is some uncertainty related to the scheduled upgrade of the Mill in 2015. The upgrade will require AUD32 million of capital expenditure, of which AUD12.5 million will be funded by EXG pursuant to the agreement with Norton to use the facility to process 0.5Mtpa of high grade ore from their nearby Kalgoorlie North project.

The current nameplate capacity of the Mill is 3.3Mtpa but it has historically processed up to 3.7Mtpa. While the Mill upgrade will increase nameplate capacity to 4.0Mtpa, it is expected that throughput of 4.5Mtpa can be achieved. Snowden has advised that while this assumption is appropriate using current oxide/hard rock blend, there is some uncertainty as to whether enough oxide ore is available to continue this blend and maintain the targeted 4.5Mtpa throughput. We have included a scenario in our sensitivity analysis that considers processing of a maximum of 4Mtpa.

We have calculated the movement in working capital by using the most current working capital balances as a basis for determining forecast working capital movement after considering the conversion of inventory to sales, and trade receivables and payables to cash received/paid. Management had not included a working capital calculation in the Model.

The assessed enterprise value of the Paddington Project based on the discounted cash flow method is summarised in the following table.

Table 8

	Unit	Low	High
Discount rate (real, post tax)	%	7.0%	6.5%
Present value of operating cash flows	AUD'000	252,253	255,955
Rehabilitation provision	AUD'000	(17,284)	(18,129)
Assessed enterprise value	**AUD'000**	**234,969**	**237,826**

Source: Deloitte Corporate Finance analysis

Future cash flows

Management has prepared detailed cash flow projections for the Paddington Project based on the strategic mine plan. The cash flow projections comprise projections of real after tax cash flows up to and including 2021, based on an operational plan for the mining of current proven and probable reserves.

The Model does not take into account JORC resources or other potential future exploration to extend the LOM. Additional resources and the exploration potential of tenements surrounding the project have been valued separately by Snowden.

We have performed an analysis of the cash flow projections and the Model, including:

- analysing the Model, including limited procedures regarding the mathematical accuracy of the Model (but have performed neither a detailed review nor an audit of the Model)
- review of the basis of the underlying assumptions such as revenue, operating expenditure, capital expenditure and royalties
- holding discussions with Management concerning the preparation of the projections, and their views regarding the assumptions on which they are based
- a high level cross check of cash flow outputs against recent financial performance.

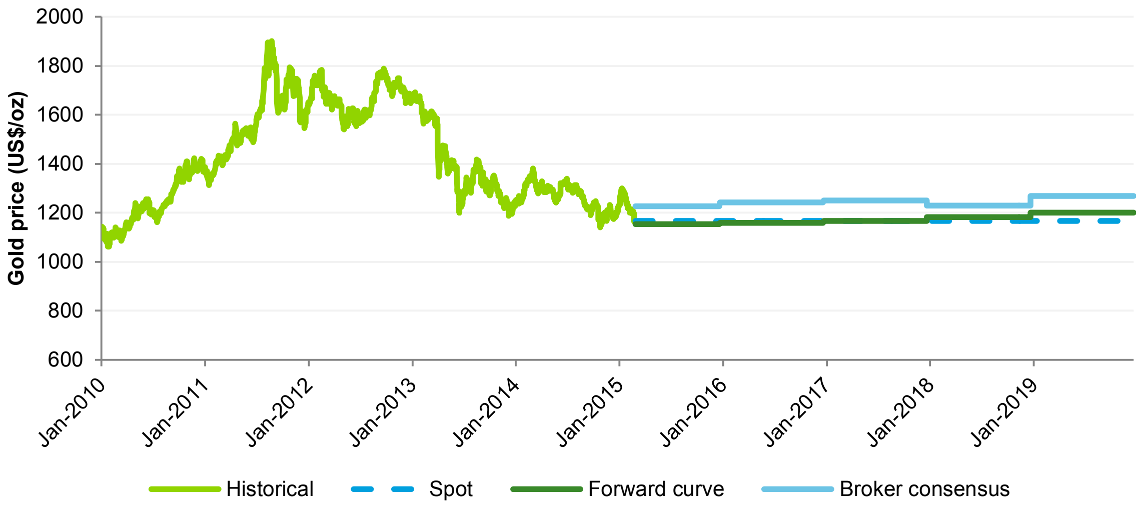
The key assumptions adopted in the preparation of the cash flow projections, and the adjustments we have made, are discussed below.

Economic assumptions

We have adopted a flat real USD gold price for each period over the LOM based on the current USD spot gold price. Gold is predominantly traded through the London Bullion Market Association (LBMA), the New York Mercantile Exchange (NYMEX), the Commodities Exchange (COMEX) and the Tokyo Commodities Exchange. As gold is traded on a similar basis to currencies between central banks, the gold futures market is driven by spot prices and interest rate differentials. The gold futures markets exhibit greater dependence on spot prices and interest rate differentials than base metals markets.

The following figure shows historical gold prices over the past five years along with COMEX futures contracts and the average of the gold price forecasts prepared by brokers.

Figure 4



Source: S&P Capital IQ, Broker estimates, Deloitte Corporate Finance analysis

Whilst we have considered broker consensus forecasts and the forward curve, we have selected a constant real gold price of USD1,182/oz. This approach is based on the premise that gold is a globally accepted store of value and a scarce commodity, which (unlike base metals) experiences relatively slow growth in global supply. The spot price for gold therefore reflects the market expectation of equilibrium between future demand and supply.

To convert the USD denominated spot gold price to an equivalent real AUD gold price for each period, we have made the following adjustments:

Nominal AUD/USD exchange rate assumptions

To convert the USD nominal gold price to AUD nominal gold price for each period, we have had regard to the following:

- Historical and current AUD to USD exchange rates
- The AUD to USD exchange rate forward curve
- Forecasts prepared by Deloitte Access Economics, economic analysts and other publicly available information, including analyst consensus.

Based on the above we have adopted the following foreign nominal AUD:USD exchange rate assumptions.

Table 9

AUDUSD	2015	2016	2017	2018	2019	L T (real)
Deloitte selected	0.76	0.75	0.77	0.78	0.79	0.79

Source: Deloitte Corporate Finance analysis

AUD/USD inflation differential

In order to inflate our USD spot price to convert to a nominal AUD equivalent for each period, and then deflate the AUD nominal gold price to a real equivalent, we have made both USD and AUD inflation assumptions. In estimating inflation, we have had regard to the following:

- Historical and current Australia and United States of America (US) Consumer Price Index (CPI)
- Forecasts prepared by Deloitte Access Economics, the Reserve Bank of Australia, the US Federal Reserve, the International Monetary Fund and other economic analysts.

Based on the above we have adopted the following inflation assumptions.

Table 10

CPI	2015	2016	2017	2018	2019	LT
Deloitte selected - AUD	*3.0%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*
Deloitte selected - USD	*1.9%*	*2.1%*	*2.2%*	*2.1%*	*2.1%*	*2.0%*

Source: Deloitte Corporate Finance analysis

AUD real gold price forecast assumptions

Using the above method and assumptions, we have calculated the following AUD real gold price assumptions and adopted them in the Model.

Table 11

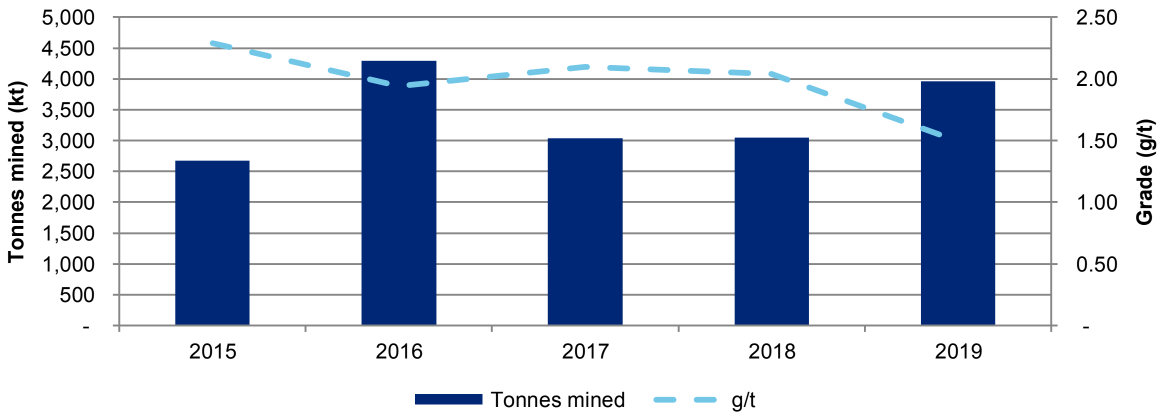
AUD/oz	2015	2016	2017	2018	2019	LT
Deloitte selected	1556	1565	1521	1496	1471	1496

Source: Deloitte Corporate Finance analysis

Revenue

We have relied on the advice of Snowden with regard to the production assumptions in the Model. The figure below shows the production profile over the LOM and average grade.

Figure 5

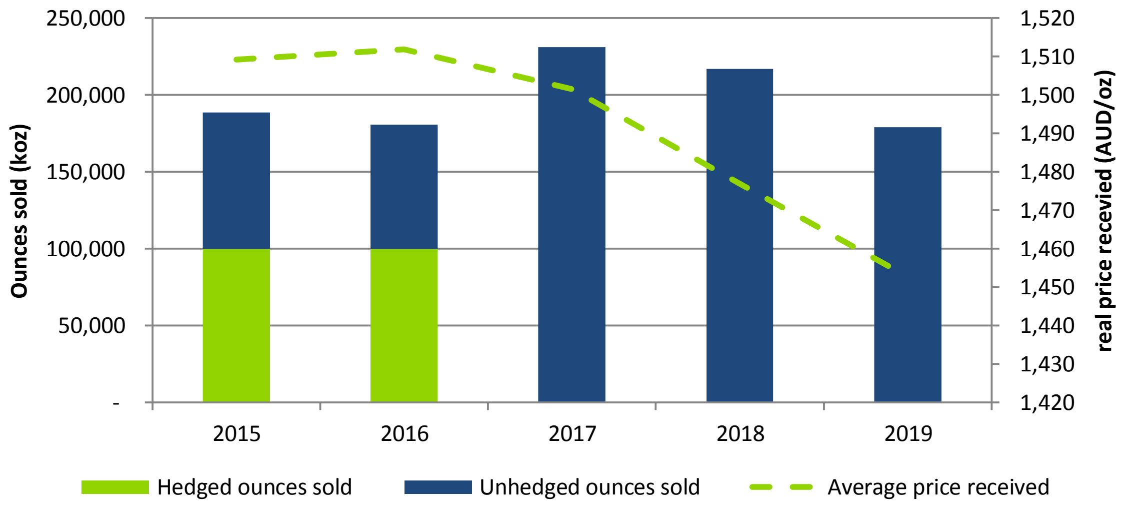


Source: the Model, Deloitte Corporate Finance analysis

Norton has entered into quarterly forward sales contracts until December 2016 for delivery of a total of 200,000 ounces at a weighted average price of AUD1,485. We have made an adjustment to revenue projections to reflect the effect of the hedge contracts.

The figure below shows hedged and unhedged sales volumes, together with average price received.

Figure 6



Source: the Model, Deloitte Corporate Finance analysis

The forecast average realised price over the forecast period, after taking forward sales program into consideration, is AUD1,506/oz. We consider it appropriate to include the effect of the hedging program in the future cash flows because:

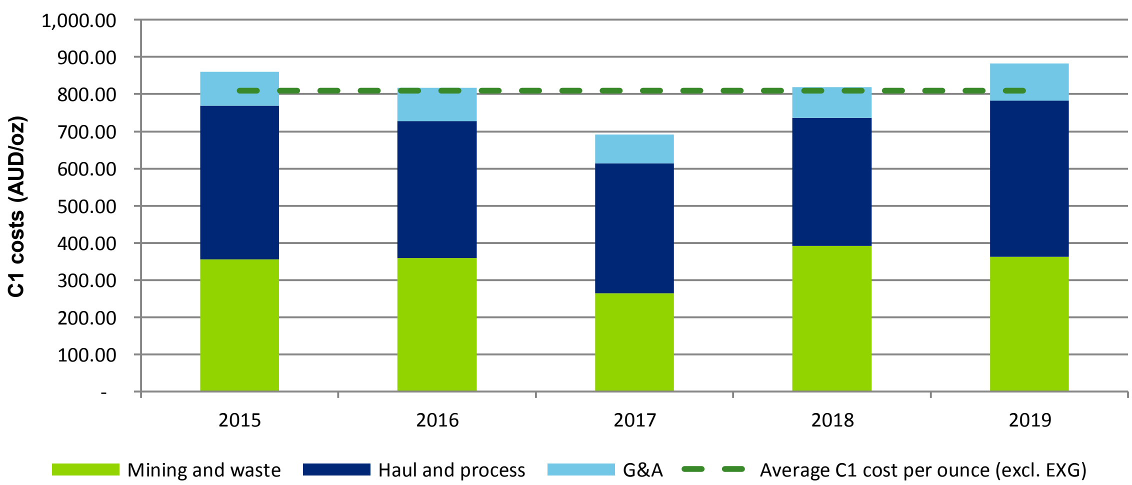
- we understand that hedging strategies are common amongst gold producers, and we therefore do not consider it unreasonable to assume that the average market participant would hedge a portion of their gold sales
- any potential purchaser of Norton would effectively acquire and be bound by the hedging contracts.

Operating expenditure

Operating cost assumptions and parameters in the Model have been reviewed by Snowden who advised that assumptions and parameters are reasonable.

Operating costs consist of mining, processing and haulage and site-specific general and administrative costs (together, the C1 costs). The figure below shows a breakdown of forecast C1 costs over the LOM.

Figure 7



Source: the Model, Deloitte Corporate Finance analysis

We note the following with regard to C1 costs:

- average C1 costs over the LOM are AUD825/oz, significantly below the average forecast realised gold price of AUD1,506/oz.
- the decrease in cost per ounce between 2016 and 2017 is driven by lower mining and waste cost per ounce recovered, which is primarily due to lower tonnage mined and an increase in the grade processed through the mill.

Capital expenditure

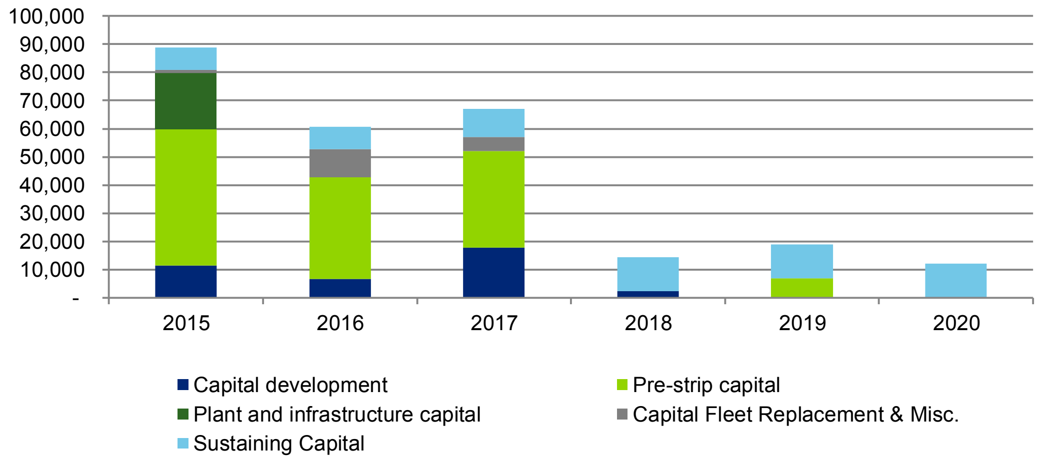
The model includes the following types of capital expenditure:

- capital development relates to the development of underground mines based on the current strategic development plan
- pre-strip capital relates to the development of open pit mines. A proportion of stripping costs are capitalised, with the balance treated as operating expenditure
- plant and infrastructure relates to the Mill upgrade required to increase capacity to 4.0Mtpa. Capital expenditure required for the upgrade is AUD32.5 million, of which EXG is expected to fund AUD12.5 million. The capital expenditure is expected to be incurred throughout 2015
- fleet replacement and miscellaneous relates to fleet and equipment required for the development of new mines as and when they are developed
- sustaining capital relates to expenditure required to replace plant and equipment items as a result of normal wear and tear.

Snowden has reviewed the capital expenditure assumptions and parameters included in the Model and advised that these assumptions and parameters are reasonable.

The following figure illustrates the LOM capital expenditure profile by type.

Figure 8



Source: the Model, Deloitte Corporate Finance analysis

Other assumptions

- We have calculated the movement in working capital by using the most current working capital balances as a basis for determining forecast working capital movements.
- Royalties – the model assumes royalties are 3.1% of gold revenue. This comprises of WA State Government royalty of 2.5%, and Native Title Agreements and third party royalties of 0.6%, based on historical expenses.

Discount rate

The discount rate used to equate the future cash flows to a present value reflects the risk adjusted rate of return demanded by a hypothetical investor. We have selected a real after tax discount rate in the range of 6.5% to 7.0% to discount the future cash flows of Norton to their present value.

In selecting this range we considered the following:

- the required rates of return on listed companies in a similar business
- the specific business and financing risks of Norton
- an appropriate level of financial gearing.

A detailed consideration of these matters is provided in Appendix D.

Rehabilitation provision

We have valued future rehabilitation costs separately to the Model using the discounted cash flow method.

Management have provided estimates of future rehabilitation cost cash flows relating to the Paddington Project over the next 20 years.

We consider an appropriate discount rate to be equivalent to the discount rate for the Paddington Project and have therefore discounted the rehabilitation costs at a real, after tax discount rate of 6.5% to 7%. Based on the above, we estimate the value of the rehabilitation provision relating to the Paddington Project to be in the range of AUD17 million to AUD18 million (liability).

The difference between our valuation and the book value of rehabilitation provision (presented as AUD27.4 million in the management accounts) is due to different discount rates used. Management have applied an estimated risk free rate in their discounted cash flow valuation, as required by the accounting standards, while we consider a discount rate equivalent to the discount rate for the Paddington Project to be appropriate for the purposes of our valuation.

Sensitivity analysis

The tables below illustrate the sensitivity of our valuation of the Paddington Project to the key assumptions.

Table 12

	Discount rate (real, post-tax)				
AUD '000	**7.5%**	**7.0%**	**6.75%**	**6.5%**	**6.0%**
Spot gold price					
USD1050	152,781	154,542	155,421	156,298	158,043
USD1110	189,182	191,441	192,572	193,704	195,967
USD1140	207,386	209,893	211,150	212,410	214,933
Selected (USD1182)	232,130	234,969	236,396	237,826	240,695
USD1200	242,205	245,176	246,669	248,166	251,172
USD1220	253,400	256,517	258,084	259,656	262,815
USD1250	270,195	273,530	275,209	276,893	280,280
USD1300	298,189	301,890	303,753	305,625	309,392
AUDUSD					
-$0.05 all periods	277,951	281,383	283,110	284,844	288,331
Selected assumptions	232,130	234,969	236,396	237,826	240,695
+$0.05 all periods	189,319	191,584	192,718	193,853	196,123
Production capacity (mt)					
4.50 (Management)	232,130	234,969	236,396	237,826	240,695
4.00 (Nameplate)	226,651	229,737	231,291	232,852	235,995

Source: the Model, Deloitte Corporate Finance analysis

Table 13

AUD million	USD1110	USD1140	Gold price Base Case	USD1200	USD1220
Operating expenditure					
-10%	245,768	262,891	286,867	297,143	308,561
-5%	219,679	237,658	261,630	271,905	283,322
Base case	192,572	211,150	236,396	246,669	258,084
5%	165,466	184,042	210,051	221,199	232,848
10%	138,362	156,934	182,940	194,087	206,473

Source: the Model, Deloitte Corporate Finance analysis

3.4.2 Paddington Project - additional resources and exploration potential

Snowden has valued the additional resources at the Paddington Project on a comparable gold transaction value basis and has considered the following:

- Comparable gold mining acquisitions completed in the 2014 calendar year
- Purchase price (AUD million), resource acquired (oz) and the implied value/oz
- Applied appropriate discounts to specific transactions due to exploration uncertainties and/or equity based transactions.

Based on the above, Snowden has determined a valuation range for the Paddington additional resources of between AUD42.8 million and AUD64.2 million, with a preferred value of AUD53.5 million.

Snowden valued the Paddington exploration assets using a Kilburn Geo-scientific method, which considers the following comparable data obtained from lease registers:

- Location of tenements
- Geological factors
- Area size

Snowden noted that historical valuation ranges for exploration properties in Western Australia range between AUD30,000/km^2 and AUD100,000/km^2. The implied value for Paddington's exploration assets, derived by Snowden and based on an area of 902/km^2, is therefore between AUD20.3 million and AUD64.2 million with a preferred value of AUD42.3 million.

Based on the above, Snowden attributes a total value for the Paddington additional resources and the exploration assets of between AUD63.1 million and AUD128.4 million, with a preferred value of AUD95.8 million.

3.4.3 Bullabulling – resources and exploration potential

Snowden has valued the Bullabulling resources on a comparable gold transaction value basis, and determined a valuation range of between AUD19.3 million and AUD28.9 million, with a preferred value of AUD24.1 million.

Snowden has valued the Bullabulling exploration assets using the Kilburn Geo-scientific method, and determined a value range of between AUD1.7 million and AUD5.8 million with a preferred value of AUD3.8 million.

Snowden therefore values Bullabulling in total at between AUD21.0 million and AUD34.7 million, with a preferred value of AUD27.9 million.

3.4.4 Total value for additional resources and exploration asset

Table 14

	Unit	Low	High	Preferred
Paddington resources	AUD'000	42,800	64,210	53,530
Paddington exploration potential	AUD'000	20,350	64,190	42,270
Paddington resources and exploration potential	**AUD'000**	**63,150**	**128,400**	**95,790**
Bullabulling resources	AUD'000	19,280	28,930	24,110
Bullabulling exploration potential	AUD'000	1,700	5,810	3,750
Bullabulling resources and exploration potential	**AUD'000**	**20,980**	**34,740**	**27,860**
Enterprise value	**AUD'000**	**84,130**	**163,130**	**123,650**

Source: Snowden report

Snowden has determined the total value of Norton's additional resources and exploration assets to be between AUD84.1 million and AUD163.1 million with a preferred value of AUD123.6 million.

The broad valuation range is mainly driven by the following uncertainties:

- the future gold price
- the low grade of many of the deposits that are uneconomic at the current gold price
- low metallurgical recovery associated with refractory ore
- different resource classifications such as measured, indicated and inferred and the presence of "remnant resources" below currently economic open pits, which are more difficult to quantify with varying probability of extraction and processing.

3.4.5 Mount Morgan

We have valued the contingent consideration receivable from Carbine from the sale of the Mount Morgan tailings project using a probability based discounted cash flow methodology.

Management have provided an estimate of future cash flows related to the sale based on the Mining Property Sale Agreement with Carbine (the Agreement).

Forecast cash flows relating to the Agreement are as follows:

- Further right to mine fee – Carbine is expected to pay AUD300,000 to Norton in June 2015 for the right to continue mining. This payment is contingent on Carbine agreeing to continue mining following initial testing work. Based on discussions with Management and Carbine, we have assigned a probability of receiving this cash flow in the range of 90% to 100%
- Transfer payment – Carbine will pay AUD2 million to Norton, contingent on the outcome of a bankable feasibility study. Based on our discussions with Management and Carbine, we have assigned a probability of receiving this cash flow in the range of 50% to 75%

- Periodic payment rights – Carbine will pay 20% of EBITDA from the project to Norton up to a total of AUD12.5 million. Payments will be annually in arrears, with the first payment forecast to be made in the first quarter (Q3) of 2017. We have assumed that if the transfer payment is made then periodic payment rights will also be received. Based on discussions with Management and Carbine, we have assumed gold sales of 36,000oz per annum over LOM beginning in 2017, and an EBITDA margin of 67%. We understand (and Management have confirmed) that the payments are part of the consideration for the sale of the asset. Management have also advised that the tax cost base of the Mount Morgan asset was AUD12.5 million and that the taxable capital gain in respect of the sale is therefore AUD2.5 million (having regard to the above assumptions). Based on discussions with and confirmations provided by Management, we have assumed AUD750,000 of tax will be paid in February 2019. We have not undertaken a separate review of Norton's tax position in respect of the sale and have relied on Management in this regard. We have discounted the post-tax future periodic payment rights back to the transfer payment date at a nominal post-tax discount rate of between 14% and 16%. We have also applied a non-controlling interest discount of 10% to the present value of periodic payment rights to recognise the lack of control Norton has over the operating and financial decisions of the project and hence its profitability.

We discount each component of the probability weighted consideration to a present value using a discount rate based on the cost of debt assessed for the Mount Morgan project. A detailed consideration of the discount rate is provided in Appendix D.

Snowden has performed a high-level review of metallurgical studies regarding gold and copper deposits at Mount Morgan and has made the following observations:

- Proposed technology for the removal of soluble copper seems to be viable
- Capital costs estimates appear reasonable
- All-in sustaining costs of USD393/oz appear aggressive and require some further review. Carbine management has indicated to us, during subsequent discussions, that they are confident that sustaining costs of below USD400/oz are realistic. We have accounted for the potential for higher operating costs by applying an EBITDA margin of 50% at the low end of our range and 70% at the high end.

Based on the above considerations, we value the probability weighted contingent consideration in the range of AUD4.3 million to AUD7.5 million.

3.4.6 Corporate Costs

Corporate costs relate to both the producing and exploration assets of Norton and we have therefore valued them separately to the individual assets.

The liability associated with corporate costs has been valued using the discounted cash flow method, where we have assumed a level of corporate costs in perpetuity, which assumes that the company will continue to explore and develop projects beyond its current LOM. The present value of a zero-growth perpetuity is the cash flow forecast in perpetuity divided by the relevant discount rate. In our valuation we have assumed zero inflation in corporate costs and have applied income tax to our costs, and therefore a real, after tax discount rate is appropriate.

We have assumed annual corporate overheads in the range of AUD4.8 million to AUD5.3 million in perpetuity. This is based on Management's calculations, and our assessment of these calculations, in relation to a sustainable level of annual corporate costs that an average market participant would incur if it purchased Norton. Our assessment has considered annual corporate costs for Norton in 2013 and 2014 and made a number of adjustments to exclude costs that a hypothetical purchaser would be able to eliminate in a merged entity. We have made adjustments for the following:

- Key management remuneration – expenses relating to key management for 2014 were AUD3.2 million. We have assumed a saving of AUD2.2 million could be made by a potential purchaser by eliminating duplication of senior management positions and costs
- Directors fees – we have removed directors fees from our estimate
- Listing fees – we have removed listing fees from our estimate

- Consulting fees – expenses relating to external consultants for 2014 was AUD0.5 million, of which half had been incurred in November 2014 for R&D fees. We have therefore assumed normalised consulting fees of AUD250,000 for ongoing development projects
- Merger and Acquisition (M&A) costs –fees relating to mergers and acquisitions in 2014 were AUD1.7 million, an unusually large amount due to increased merger and acquisition activity. In 2013, these fees were AUD373,000, which we have assumed to be a ‘normal’ amount. We have therefore made an adjustment of AUD1.3 million to professional and consulting fees.

We consider a discount rate equal to the Weighted Average Cost of Capital (WACC) for Norton to be appropriate to apply to our selected level of annual corporate costs. To estimate a WACC for Norton, we have had regard to our estimated real, after tax WACC of 6.5% to 7.0% for the Paddington Project. Given that Norton is subject to additional risks associated with its exploration and development stage assets when compared with the Paddington Project, we have applied a specific risk premium of 1.0% to the cost of equity.

Based on the above, we have selected a real, after tax discount rate of 7.5%. A detailed consideration of the remaining assumptions for our Paddington Project discount rate is provided in Appendix D.

Our valuation of corporate costs is as follows.

Table 15

Annual corporate costs	AUD’000	5,000
Income tax benefit	AUD’000	(1,500)
Net annual cash flow relating to corporate costs	**AUD’000**	**3,500**
Discount rate	%	7.5%
Present value of corporate costs	**AUD’000**	**46,667**

Source: Deloitte Corporate Finance analysis

3.4.7 Other surplus assets

Norton has the following assets that do not contribute to its forecast cash flows. They have been treated as surplus assets and have been valued separately.

Table 16

	Low (AUD’000)	High (AUD’000)
Interest in Phoenix Gold Limited (PXG)	3,588	3,588
Security deposits	161	161
Total	**3,749**	**3,749**

Source: Deloitte Corporate Finance analysis

We note the following with regard to surplus assets

- Phoenix Investment – Norton holds 9.97% of the ordinary shares in Phoenix. We have valued the shares using the most recent closing price of the shares, which was AUD0.09 per share.
- Security deposits relate to amounts collateralised against guarantees provided by the National Australia Bank in favour of the West Australian Department of Industry and Resources for rehabilitation costs. These deposits are not released until the rehabilitation obligation of the group is satisfied, and represent an effective offset against the rehabilitation provision.

3.4.8 Net debt

Norton's net debt position as at 28 February 2015 is set out below.

Table 17

	(AUD'000)
Current interest bearing liabilities	121
Non-current interest bearing liabilities	144,714
Cash	(11,061)
Net debt	**133,774**

Source: Norton management accounts, Deloitte Corporate Finance analysis

We note the following with regard to net debt:

- Current interest bearing debt relates to the current portion of unsecured finance lease obligations
- Non-current interest bearing liabilities consist of secured debt facilities with ICBC and ABC totalling AUD145 million, as well as the non-current portion of unsecured finance leases of AUD404,000
- Cash includes cash at bank and on hand, short term deposits and other financial assets that consist of term deposits with financial institutions with maturities of greater than three months.

3.5 Conclusions

The valuation of Norton using the sum of the parts method is summarised in the following table.

Table 18

	Unit	Low	High
Paddington Project	AUD'000	234,969	237,826
Paddington additional resources and exploration potential	AUD'000	63,150	128,400
Bullabulling resources and exploration potential	AUD'000	20,980	34,740
Mount Morgan contingent consideration	AUD'000	4,312	7,549
Corporate costs	AUD'000	(46,667)	(46,667)
Enterprise value	**AUD'000**	**276,745**	**361,848**
Surplus assets	AUD'000	3,749	3,749
Net debt	AUD'000	(133,774)	(133,774)
Equity value (on a control basis)	**AUD'000**	**146,720**	**231,824**
Number of shares on issue	'000	931,851	931,851
Value per Norton share (on a control basis)	**AUD**	**0.16**	**0.25**

Source: Deloitte Corporate Finance analysis

The sensitivity of our valuation range to movements in the gold price is set out below.

Table 19

Gold price		Low	High
USD1050	AUD	0.07	0.16
USD1110	AUD	0.11	0.20
USD1140	AUD	0.13	0.22
Selected (USD1182)	**AUD**	**0.16**	**0.25**
USD1200	AUD	0.17	0.26
USD1220	AUD	0.18	0.27
USD1250	AUD	0.20	0.29
USD1300	AUD	0.23	0.32

Source: Deloitte Corporate Finance analysis

We note that our valuation of a Norton share is highly sensitive to the gold price assumptions used, hence the value range can change significantly with relative small changes in the gold price. An increase of more than USD68/oz would result in the low end of our valuation range increasing to above AUD0.20 and make the Proposed Scheme unfair. Conversely, a decrease of more than USD72/oz would result in the high end of our valuation range dropping below AUD0.20 and make the Proposed Scheme fair across the whole range.

3.6 Valuation cross check

We have cross checked the enterprise value of Norton with reference to the reserve and resource multiples implied by our valuation. Reserve and resource multiples provide only a high level cross check to our valuation as resource multiples may vary significantly due to different cost structures, technical characteristics of the resources, stages of development, ratios of reserves to total resources, mines lives and access to infrastructure and funding.

The following table sets out the reserve and resource multiples implied by our selected valuation range of Norton.

Table 20

	Unit	Low	High
Norton enterprise value	AUD'000	276,745	361,848
Norton reserves	koz	1,106	1,106
Reserve multiple	**AUD/oz**	**250**	**327**
Norton resources	koz	10,031	10,031
Resource multiple	**AUD/oz**	**28**	**36**

Source: Deloitte analysis, Norton Mineral Resource & Ore Reserve Update, January 2015

The implied reserve and resource multiples observed for the comparable companies and transactions vary significantly. We consider this range to be partially due to different strategic decisions made by companies regarding how they prove up resources and reserves. Many projects with large amounts of annual production relative to their peers may only have a small amount of reserves and resources that does not accurately reflect the remaining production from their projects. Our analysis factors in these differences at a high level, and we have focused on the resource multiples observed because they provide a more narrow range for our analysis than reserve multiples.

Share trading multiples

We have identified a number of companies with similar characteristics to Norton to form the basis of our share trading multiple cross check. Comparable trading resource multiples range between AUD22/oz and AUD296/oz of measured, indicated and inferred resources, with an average of AUD117/oz. Refer Appendix E for details of the comparable companies' share trading multiples.

The multiple implied by our valuation of Norton is on a control basis, whereas the multiples observed for comparable listed companies do not reflect the market value for control of a company given they are based on the price of portfolio trades and therefore represent the value of a minority interest. Australian studies indicate the premiums for control of companies range between 20% and 40% of minority interests. To approximate a control multiple, we have therefore added a control premium of 30% to the market capitalisation of the comparable companies when calculating reserve and resource multiples. Refer Appendix G for further details on the control premium.

We consider Saracen Mineral Holdings Limited (Saracen) to be the most comparable company to Norton. Saracen holds a 100% interest in Thunderbox and Carosue Dam, two producing projects located close to Kalgoorlie that have a combined resource of 6.9Moz at a grade of 1.65g/t, processing capacity of 5Mtpa, and C1 cash costs of AUD864/oz. Saracen has an implied trading resource multiple of AUD46oz.

Silver Lake Resources is a WA based gold producer whose primary assets are the producing Mount Monger and Murchison projects. It also owns the Great Southern project, a significant development stage asset with reserves and resources. Silver Lake has annual production of 500,000oz, more than double that of Norton. Its reserve and resource base is much smaller that Norton's however, with 253,000oz of reserves and 2.3Moz of resources. Silver Lake has an implied trading resource multiple of AUD77/oz.

Doray Minerals holds a similar portfolio of assets to Norton, with one flagship producing asset (Andy Well) as well as a number of prospective exploration assets in the same region. Andy Well is a less mature asset than Paddington and has a significantly lower amount of resources. However, Andy Well is also much higher grade, with average grade of 10.79g/t and has C1 costs in the range of AUD600-700. Doray has announced plans for a Merger with Mutiny Gold Limited, a development stage gold company. While the merger is yet to complete, we would expect the share price to include some expectation of value to be created by the merger. Doray has a resource multiple of AUD296/oz, which we consider to reflect the merger with Mutiny, higher grade deposit and the potential for future increase in resources.

Transaction multiples

There have been a number of transactions in recent years for companies and assets that are similar to Norton. Resource multiples for comparable transactions range between AUD7.9/oz and AUD238/oz, with an average multiple of AUD84/oz. Refer Appendix F for details regarding the comparable transactions.

We consider the acquisitions of Jundee underground mine by Northern Star and the Thunderbox Operations by Saracen to be the most comparable transactions. We discuss these transactions further below.

- Thunderbox Operations consist of the Thunderbox and Bannockburn gold mines located in the north eastern goldfields of Western Australia which were not producing at the time of the Saracen purchase, but had the necessary infrastructure in place to resume production within 18 months. Thunderbox has similar operating costs, grade and capacity to Norton, and we therefore consider it to be broadly comparable. Saracen purchased Thunderbox operations for an implied resource multiple of AUD11/oz. We would expect Thunderbox to have a resource multiple lower than Norton's due to the work and time required to resume production
- Jundee is an underground gold mine located in the middle of Western Australia with annual production of 280,000oz. It has a limited amount of reserves and resources relative to its production capacity, with only 411,000oz of reserves and 507,000oz of resources. Northern Star has identified four underground areas that are expected to provide a significant increase in resources and LOM. Northern Star purchased Jundee at an implied resource multiple of AUD162/oz in May 2014. We would expect the multiple for Jundee to be higher than for Norton due to the proportion of production to resources and the significant exploration upside available.

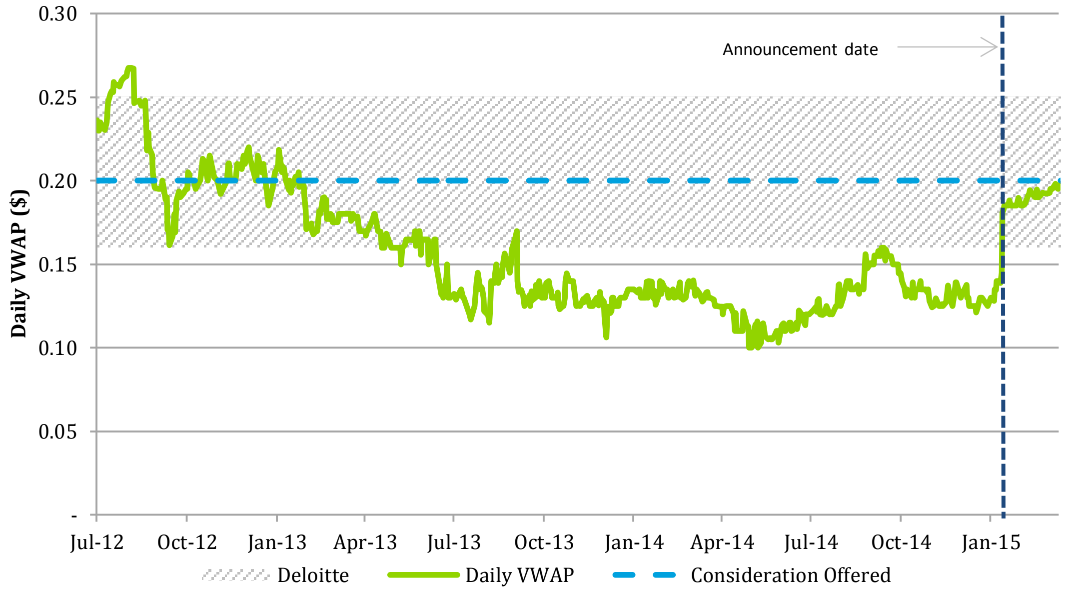
Conclusion

Our valuation of Norton implies a resource multiple of between AUD28/oz and AUD36/oz, which is towards the lower end of our observed range of multiples of AUD7.9/oz to AUD296/oz. As discussed above, we consider differences in strategy relating to proving up reserves and resources to be a key driver of observed multiples. Compared with comparable companies and transactions, Norton has a large resource base relative to its annual production. In this regard Norton's multiple would be expected to be towards the lower end of the observed range. In addition, we consider the resource multiple for Saracen of AUD46/oz to provide directional support for Norton's implied resource multiple. Saracen has broadly similar levels of production, resources and exploration potential, and we consider it to be the most comparable company.

Based on the above we consider the resource multiple implied by our valuation of Norton is broadly supported by the observed comparable trading and transaction multiples.

3.7 Recent share trading

Figure 9



Source: Deloitte analysis

Over the twelve months to the Announcement Date, Norton shares traded within a VWAP range of AUD0.10 to AUD0.16 per share, measured on a 1 day VWAP basis and within a range of AUD0.11 to AUD0.13 per share, measured on a quarterly basis.

The consideration under the Proposed Scheme of AUD0.20 cash per Norton share represents a premium of between 25% and 100% over the ASX trading prices (measured on a 1 day VWAP basis) and a premium of between 55% and 90% (measured on a quarterly VWAP basis) during the 12 month period prior to the Announcement Date.

The closing share price on the day prior to the Announcement Date was AUD0.14 per share. Since the Announcement Date, Norton's shares have traded (including intraday trades) in the range of AUD0.18 to AUD0.20 per share, an increase of 28% to 43% compared with the closing Norton share price prior to the Announcement Date.

4 Collateral benefit

Dianmin Chen, the CEO of Norton, is a shareholder in Norton and, through an associate, holds the OPT1 options. Under the terms of the Cancellation Deed, the OPT1 options will be cancelled for a cash consideration of AUD200,000.

To determine whether a collateral benefit has been provided to Dianmin Chen to induce him to vote in favour of the Proposed Scheme, we have assessed whether the consideration of AUD200,000 exceeds the value of the OPT1 options, and we have also considered whether the nature and overall circumstances of the Cancellation Deed give rise to a collateral benefit.

We valued the OPT1 options using the Black-Scholes option valuation methodology, which is a commonly accepted methodology for valuing such options. We have made the following assumptions in our valuation of the OPT1 options:

- Exercise price – 24.1c per option
- Spot price – the Proposed Scheme consideration of 20cps
- Risk free rate – 2.04% based on the Australian Government 2.5 year zero coupon bond yield
- Dividend yield – 0% based on the historical dividend yield on Norton shares and discussions with Management regarding the likelihood of future dividends
- Volatility – we have selected volatility in the range of 60% to 70% based on the historical volatility of shares of companies comparable to Norton over a two and three year period
- Discount for lack of marketability – we have applied a discount for lack of marketability in the range of 30% to 40% as the OPT1 options are not transferable and because they are 'out of the money', there is currently limited ability to realise their value.

Based on the above, our valuation of the OPT1 options is in the range of AUD315,000 to AUD435,000.

The AUD200,000 consideration to be paid to the associate of Dianmin Chen for the cancellation of the OPT1 options is therefore less than the value of the OPT1 options. We also consider that the nature and overall circumstances of the Cancellation Deed do not give rise to a collateral benefit. We are therefore of the opinion that no collateral benefit has been provided to Dianmin Chen to induce him to vote in favour of the Proposed Scheme.

Appendix A: Context to the Report

Individual circumstances

We have evaluated the Proposed Scheme for Non-Associated Shareholders as a whole and have not considered the effect of the Proposed Scheme on the particular circumstances of individual investors. Due to their particular circumstances, individual investors may place a different emphasis on various aspects of the Proposed Scheme from the one adopted in this report. Accordingly, individuals may reach different conclusions to ours on whether the Proposed Scheme is fair and reasonable and therefore in the best interests of Non-Associated Shareholders. If in doubt investors should consult an independent adviser, who should have regard to their individual circumstances.

Limitations, qualifications, declarations and consents

The report has been prepared at the request of the Independent Directors of Norton and is to be included in Norton's Scheme Booklet to be given to Shareholders for approval of the Proposed Scheme in accordance with Section 411. Accordingly, it has been prepared only for the benefit of the Independent Directors and those persons entitled to receive Norton's Scheme Booklet in their assessment of the Proposed Scheme outlined in the Scheme Booklet and should not be used for any other purpose. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the shareholders and Norton, in respect of this report, including any errors or omissions however caused. Further, recipients of this report should be aware that it has been prepared without taking account of their individual objectives, financial situation or needs. Accordingly, each recipient should consider these factors before acting on the Proposed Scheme. This engagement has been conducted in accordance with professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

The report represents solely the expression by Deloitte Corporate Finance of its opinion as to whether the Proposed Scheme is in the best interests of the Non-Associated Shareholders and its opinion as to whether a collateral benefit has been provided to Dianmin Chen to induce him to vote in favour of the Proposed Scheme. Deloitte Corporate Finance consents to this report being included in the Scheme Booklet in the form and context in which it is to be included in the Scheme Booklet.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte Corporate Finance has relied upon the completeness of the information provided by Norton and its officers, employees, agents or advisors which Deloitte Corporate Finance believes, on reasonable grounds, to be reliable, complete and not misleading. Deloitte Corporate Finance does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us. Drafts of our report were issued to Management for confirmation of factual accuracy.

After a full draft report was provided to Norton, two factual errors were identified. These related to the current short term outlook for the AUD:USD exchange rate and annual corporate costs. We updated our valuation analysis to correct these errors, which resulted in a change to our valuation range for a Norton share but did not change our opinion.

In recognition that Deloitte Corporate Finance may rely on information provided by Norton and its officers, employees, agents or advisors, Norton has agreed that it will not make any claim against Deloitte Corporate Finance to recover any loss or damage which Norton may suffer as a result of that reliance and that it will indemnify Deloitte Corporate Finance against any liability that arises out of either Deloitte Corporate Finance's reliance on the information provided by Norton and its officers, employees, agents or advisors or the failure by Norton and its officers, employees, agents or advisors to provide Deloitte Corporate Finance with any material information relating to the Proposed Scheme.

Deloitte Corporate Finance also relies on the review of Technical Assumptions in the Model and valuation reports prepared by Snowden. Deloitte Corporate Finance has received consent from Snowden for reliance in the preparation of this report.

To the extent that this report refers to prospective financial information we have considered the prospective financial information and the basis of the underlying assumptions. The procedures involved in Deloitte Corporate Finance's consideration of this information consisted of enquiries of Norton personnel and analytical procedures applied to the financial data. These procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the Auditing and Assurance Standards Board (AUASB) or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

Based on these procedures and enquiries, Deloitte Corporate Finance considers that there are reasonable grounds to believe that the prospective financial information for Norton included in this report has been prepared on a reasonable basis in accordance with ASIC Regulatory Guide 111. In relation to the prospective financial information, actual results may be different from the prospective financial information of Norton referred to in this report since anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective financial information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

Deloitte Corporate Finance holds the appropriate Australian Financial Services licence to issue this report and is owned by the Australian Partnership Deloitte Touche Tohmatsu. The employees of Deloitte Corporate Finance principally involved in the preparation of this report were Nicki Ivory, Authorised Representative AR Number 461005, BCom, CA, CFA and Robin Polson, Authorised Representative AR Number 461010, B.Com, Grad. Dip. App. Fin. Inv. Nicki and Robin each have many years of experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Consent to being named in disclosure document

Deloitte Corporate Finance Pty Limited (ACN 003 833 127) of 240 St Georges Terrace, Perth, WA, 6000 acknowledges that:

- Norton proposes to issue a disclosure document in respect of the transaction between Zijin and the holders of Norton securities (the Scheme Booklet)
- the Scheme Booklet will be issued in hard copy and be available in electronic format
- it has previously received a copy of the draft Scheme Booklet for review
- it is named in the Scheme Booklet as the 'independent expert' and the Scheme Booklet includes its independent expert's report in Schedule 1 of the Scheme Booklet.

On the basis that the Scheme Booklet is consistent in all material respects with the draft Scheme Booklet received, Deloitte Corporate Finance Pty Limited consents to it being named in the Scheme Booklet in the form and context in which it is so named, to the inclusion of its independent expert's report in Schedule 1 of the Scheme Booklet and to all references to its independent expert's report in the form and context in which they are included, whether the Scheme Booklet is issued in hard copy or electronic format or both.

Deloitte Corporate Finance Pty Limited has not authorised or caused the issue of the Scheme Booklet and takes no responsibility for any part of the Scheme Booklet, other than any references to its name and the independent expert's report as included in Schedule 1.

Sources of information

In preparing this report we have had access to the following principal sources of information:

- Zijin's proposal to acquire Norton and the SIA
- audited financial statements for Norton for the years ending June 2012, December 2012, December 2013 and draft unaudited management accounts for December 2014
- annual report/s for Norton for the year ending June 2012, December 2012, December 2013
- Sale and purchase agreement relating to the disposal of Mount Morgan to Carbine.
- Processing agreement between Norton and Excelsior
- annual reports for comparable companies

- company websites for Norton, Zijin and comparable companies
- publicly available information on comparable companies and market transactions published by ASIC, Thompson research, Capital IQ, and Mergermarket
- IBIS company and industry reports
- The Snowden technical expert report
- Scheme Booklet
- other publicly available information, media releases and brokers reports on Norton and comparable companies and the gold mining industry.

In addition, we have had discussions and correspondence with certain Norton directors and executives, including Dianmin Chen, CEO; Steven Phan, CFO; Terry Moylan, GM Projects and business development; Guy Simpson, GM technical services; Richard Jones, General counsel and company secretary; Noel White, Independent non-executive director; and Anne Bi, Independent non-executive director in relation to the above information and to current operations and prospects. We have also had discussions with Carbine CEO, Patrick Walta, with regards to the status of the Mount Morgan testing phase.

Appendix B: Valuation methodologies

To estimate the fair market value of the securities in Norton we have considered common market practice and the valuation methodologies recommended by ASIC Regulatory Guide 111, which provides guidance in respect of the content of independent expert's reports. These are discussed below.

Market based methods

Market based methods estimate a company's fair market value by considering the market price of transactions in its securities or the market value of comparable companies. Market based methods include:

- capitalisation of maintainable earnings
- analysis of a company's recent security trading history
- industry specific methods.

The capitalisation of maintainable earnings method estimates fair market value based on the company's future maintainable earnings and an appropriate earnings multiple. An appropriate earnings multiple is derived from market transactions involving comparable companies. The capitalisation of maintainable earnings method is appropriate where the company's earnings are relatively stable.

The most recent security trading history provides evidence of the fair market value of the securities in a company where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using rules of thumb for a particular industry. Generally rules of thumb provide less persuasive evidence of the market value of a company than other valuation methods because they may not account for company specific factors.

Discounted cash flow methods

Discounted cash flow methods estimate market value by discounting a company's future cash flows to a net present value. These methods are appropriate where a projection of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value early stage companies or projects with a finite life.

Asset based methods

Asset based methods estimate the market value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method
- liquidation of assets method
- net assets on a going concern basis.

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the company may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimate the market values of the net assets of a company but does not take account of realisation costs.

These asset based methods ignore the possibility that the company's value could exceed the realisable value of its assets as they ignore the value of intangible assets such as customer lists, management, supply arrangements and goodwill. Asset based methods are appropriate when companies are not profitable, a significant proportion of a company's assets are liquid, or for asset holding companies

Appendix C: Australian gold mining industry

The main participants in the Australian gold mining industry include large international gold mining companies, such as Barrick Gold, Newmont Mining, Gold Fields Limited and AngloGold Ashanti.

Overview

Gold is primarily used as currency, jewellery and in industrial applications, such as dentistry and electrical components. Gold was historically used as the underlying asset to support the value of paper currencies and it is still considered a valuable 'safe haven' asset, particularly during times of economic uncertainty. Gold therefore comprises a significant portion of many countries' monetary reserves.

Gold is actively traded on commodity markets internationally with its price denominated in USD. As gold is a monetary asset, the price of gold is often influenced by a broad range of international factors, such as the international economic uncertainty following the GFC. This is different to other commodities where prices are driven by traditional demand and supply factors, such as the amount of the commodity being produced and consumed.

On the basis of the above, the success of companies operating within the Australian gold mining industry is therefore largely influenced by the international gold price, local production costs and the USD:AUD foreign exchange rate.

Key drivers

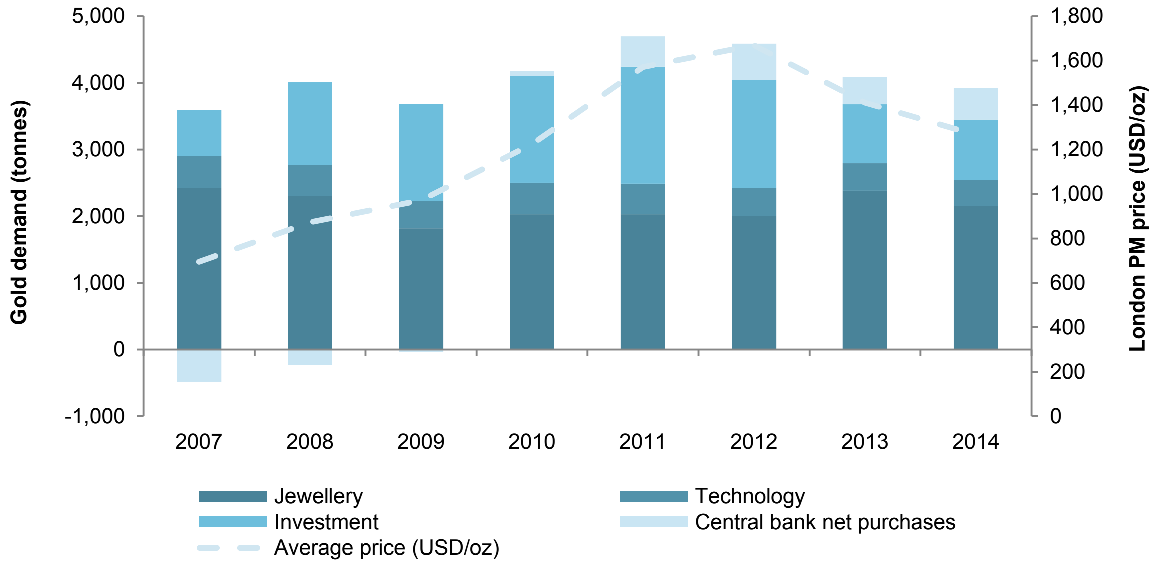
Exploration activity and production of gold in Australia is mainly influenced by the following:

- Global demand and supply – global demand for gold, and the rate at which it can be produced or recycled, has a significant impact on the gold price, particularly where demand is influenced by the global economy
- Gold price – revenue is directly impacted by the international gold price, and a high gold price incentivises exploration activity and exploitation of lower grade deposits
- USD:AUD exchange rate – the depreciation of the AUD acts as a partial buffer for Australian gold companies when the USD gold price declines
- Project viability – whether the deposit can be economically exploited may depend on a variety of factors, including the grade of the deposit, initial capital expenditure required, production costs, access to transport infrastructure and availability of funding
- Global economic conditions – gold is a counter-cyclical asset typically characterised by increased demand in periods of high economic uncertainty as gold is regarded as a stable monetary investment relative to securities or currencies
- Regulatory – environmental and other regulatory approvals are required for exploration, development, production and rehabilitation of gold mines, which, along with royalty rates, can impact the viability of a project.

Demand

Global demand for gold is driven by gold's various applications in jewellery, as a monetary asset and in industry. The historical demand for gold (in tonnes), by category, and the average annual nominal price (USD/oz) is illustrated in the figure below.

Figure 10



Source: World Gold Council

Demand for gold jewellery accounts for approximately 55% of total global demand for gold, primarily driven by demand in India and China. In 2014, India purchased approximately 662.1 tonnes of gold jewellery, despite regulations imposed to restrict imports of gold. India has since lifted a restriction on gold imports. Demand for gold jewellery is cyclical, driven by disposable income. The rise in gold jewellery demand over the past few years is in line with expectations of improving global consumer sentiment and disposable income.

As noted above, gold is favoured as a 'safe haven' asset during periods of economic uncertainty. In 2009, gold demand for investment purposes accounted for approximately 40% of the total global demand for gold. Demand for gold as an investment asset, primarily in the form of gold bars or coins, remains high if compared to 2007 (pre GFC) due to continuing political tensions (Russia, Ukraine) and economic distress in Europe (specifically Greece and Russia).

As the US economy continues to recover and investors move to riskier assets, demand for investment gold may decline over the next few years. Exchange traded funds (ETF) have significantly reduced their holdings of gold since highs in 2009, due to improved sentiment regarding the strength of the USD and expectations of relatively higher real interest rates in the US. The decrease in investment demand may, however, be tempered by economic uncertainty in Europe and Japan, and continued demand for gold investments in China and India.

Since 2011, central banks have increased their holdings of gold in an effort to diversify their reserves away from the USD and the Euro. Of the total demand for gold in 2010, net purchases made by central banks only accounted for 1.8%. By 2014, this had increased to 12.2%, with net purchases amounting to 477 tonnes of gold.

Demand for gold for use in various industrial applications has been weak. In 2014, the volume of gold used in electronics and dentistry dropped to its lowest levels in a decade as cheaper substitutes become more popular.

Supply

Global supply

Supply of gold is mostly reactive to trends in the gold price. Following sharp falls in the gold price between 2011 and 2013, exploration and development expenditure in the gold mining sector significantly reduced, with producers focusing on achieving cost efficiencies to maintain profit margins. Global gold mining production volume reached a record 3,114.4 tonnes in 2014.

Gold recycling contributes approximately 26% of total supply of gold globally. Gold recycling has steadily declined over the past few years, reaching a seven-year low of 1.121.7 tonnes in 2014.

Production in Australia

Australia produced approximately 275 tonnes of gold in 2014, the majority of which was from Western Australia. Most of the gold produced globally is from Archaean lode gold deposits, and is expected to account for 48.1% of the gold to be produced in Australia in the 12 month period to 30 June 2015. As high grade Archaean lode deposits are depleted, Australian gold mining companies seek other sources, such as copper-gold and iron oxide copper-gold.

The relatively high AUD denominated gold price is likely to incentivise greater production of gold in Australia in the coming years. Contributing to the expected increase in production are new mines at large scale gold projects, such as Tropicana and Cadia Valley.

The high AUD denominated gold price has also encouraged more exploration and development activity, particularly as high grade and near-surface deposits are depleted. The smaller companies in the industry are likely to participate through acquisitions of brownfield assets including existing open-pit mines, infrastructure, deposits or tailings that were considered uneconomical at a lower gold price. Greenfield exploration and exploitation of low grade or deeper deposits require large amounts of capital, expertise and investment in technology.

The success of gold projects within the Australian gold mining industry is likely to be influenced by the following factors:

- Access to high quality, near-surface deposits, which generally result in lower production costs per unit
- Minimising the costs of production such that over the long term, the marginal cost of production per oz is less than the price per oz
- Mining expertise, particularly in relation to underground deposits and deposits in complex geological formations
- Successful handling of environmental concerns to prevent disruptions to operations and higher costs
- The ability to sell forward when the gold price is high.

Gold price

Gold is typically traded through the London Bullion Market Association, COMEX[2] or the Tokyo Commodities Exchange. Gold is traded on a similar basis to currencies between central banks and the gold futures market is driven by spot prices and interest differentials.

The gold market is almost always in contango (where the gold futures price is higher than the expected future spot price). When expressed as a percentage of the gold price, the amount of contango is usually close to the risk-free rate. This means that through trading gold futures, it is possible to earn a return on gold which is similar to the return on low-risk assets. Therefore, gold can be viewed as more akin to a financial asset than a commodity.

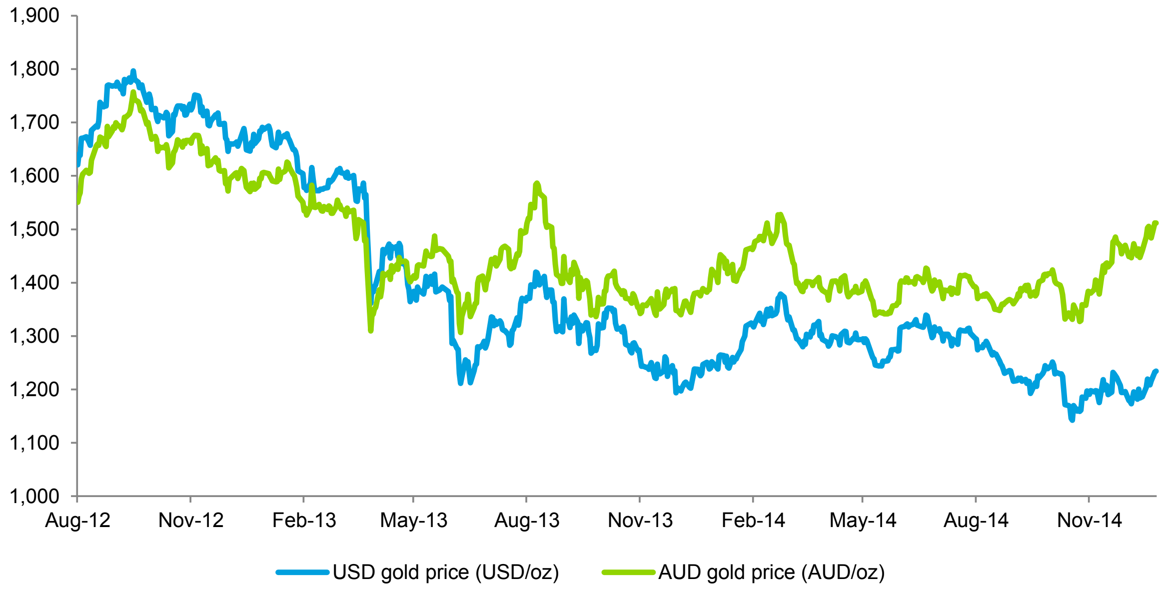
In line with the global economic recovery, particularly in the US and UK, the USD denominated gold price has declined since 2012. During the period from August 2012 to the Announcement Date, the USD gold price decreased at a compound annual rate of 10.9%.

[2] The commodities exchange division of the New York Mercantile Exchange

Importantly for the Australian gold mining industry, however, the AUD has also depreciated against the USD from record highs experienced in the period following the GFC. The depreciation of the AUD means Australian gold producers are able to receive a relatively higher AUD price per oz of gold sold. As discussed above, the relatively high AUD gold price is encouraging exploration and production activity in the industry.

The figure below illustrates the historical trading of gold, denominated in USD and AUD, and the divergence in these two prices.

Figure 11



Source: Capital IQ

Industry outlook

The current high level of global demand for gold is expected to remain steady over the next five years. Continued demand from China and India is likely, particularly as incomes rise in both countries and gold continues to be popular for jewellery and as a store of wealth. Demand from India will also be supported by the recent abolition of a gold import restriction. Demand may also increase marginally from Europe as a result of current economic uncertainties. These factors may counter the fall in demand for gold investments by ETFs and other investors.

The relatively high AUD gold price coupled with an expected increase in volumes produced as mines ramp up production will underpin growth in revenue for the Australian gold mining industry over the next few years. However, operating costs for the industry are also expected to rise, due to the exploitation of deposits that are of lower grade, deeper and occurring in more complex geological formations. This will put pressure on profit margins. Companies will likely continue to undertake cost cutting activities to mitigate the effect of rising costs and economies of scale will likely become more important to maintain profit margins. This could lead to more consolidation in the industry.

Appendix D: Discount rate

The discount rate utilised to determine the net present value (NPV) of future cash flows reflects the risk adjusted rate of return demanded by a market participant when investing in an asset or business.

Selecting an appropriate discount rate is a matter of judgement having regard to relevant available market pricing data and the risks and circumstances specific to the asset or business being valued.

The discount rate is based on fundamental analysis using one of the widely regarded models for estimating the cost of capital (such as the Capital Asset Pricing Model (CAPM)). Market participants often use less precise methods for determining the cost of capital such as hurdle rates or target internal rates of return and often do not distinguish between investment types, business location or economic cycles.

Our definition of fair market value is premised on the estimated value that a knowledgeable willing buyer would attribute to the asset or business. Our selection of an appropriate discount rate therefore considers what buyers deem to consider as appropriate alternatives to the typical CAPM approach in estimating the cost of capital.

For ungeared cash flows, discount rates are determined based on the cost of a market participant's debt and equity weighted by the proportion of debt and equity commonly used in the relevant industry. This is commonly referred to as the weighted average cost of capital (WACC).

The WACC can be derived using the following formula:

$$\boxed{WACC = \left(\frac{E}{V} * K_e\right) + \left(\frac{D}{V} * K_d(1 - t_c)\right)}$$

The components of the formula are:

K_e = cost of equity capital

K_d = cost of debt

t_c = corporate tax rate

E/V = proportion of enterprise funded by equity

D/V = proportion of enterprise funded by debt

The adjustment of K_d by (1- t_c) reflects the tax deductibility of interest payments on debt funding. The corporate tax rate has been assumed to be 30%, in line with the Australian corporate tax rate.

We have derived a real post-tax WACC for the Paddington Project, consistent with the Model. For Mount Morgan we have derived a nominal post tax WACC.

Cost of equity capital (K_e)

The cost of equity, K_e, is the rate of return that investors will demand for an equity investment in a business taking into account industry, market and company specific risk factors.

We have used the CAPM to estimate the K_e for the Paddington Project and Mount Morgan project. CAPM calculates the minimum rate of return that the company must earn on the equity-financed portion of its capital to leave the market price of its shares unchanged. The CAPM is the most widely accepted and used methodology for determining the cost of equity capital.

The cost of equity capital under CAPM is determined using the following formula:

$$\boxed{K_e = R_f + \beta(R_m - R_f) + a}$$

The components of the formula are:

K_e = required return on equity

R_f = the risk free rate of return

R_m = the expected return on the market portfolio

β = beta, the systematic risk of a stock

α = specific company risk premium

Each of the components in the above equation is discussed below.

Risk free rate (R_f)

The risk free rate compensates the investor for the time value of money and the expected inflation rate over the investment period. The frequently adopted proxy for the risk free rate is the long-term Government bond rate.

In determining R_f for the Paddington Project and the Mount Morgan project we have taken the 5 day trailing average of the 10 year zero coupon bond yields as at the Announcement Date. The 10 year zero coupon bond yields, sourced from the Reserve Bank of Australia, are widely used and accepted as a benchmark for the risk free rate in Australia. This rate represents a nominal rate and thus includes inflation.

Equity market risk premium (EMRP)

The EMRP ($R_m - R_f$) represents the risk associated with holding a market portfolio of investments, that is, the excess return a shareholder can expect to receive for the uncertainty of investing in equities as opposed to investing in a risk free alternative. The size of the EMRP is dictated by the risk aversion of investors – the lower (higher) an investor's risk aversion, the smaller (larger) the equity risk premium.

The EMRP is not readily observable in the market and therefore represents an estimate based on available data. There are generally two main approaches used to estimate the EMRP, the historical approach and the prospective approach, neither of which is theoretically more correct or without limitations. The former approach relies on historical share market returns relative to the returns on a risk free security; the latter is a forward looking approach which derives an estimated EMRP based on current share market values and assumptions regarding future dividends and growth.

In evaluating the EMRP applicable to the Paddington Project and Mount Morgan, we have considered both the historically observed and prospective estimates of EMRP.

Historical approach

The historical approach is applied by comparing the historical returns on equities against the returns on risk free assets such as Government bonds, or in some cases, Treasury bills. The historical EMRP has the benefit of being capable of estimation from reliable data; however, it is possible that historical returns achieved on stocks were different from those that were expected by investors when making investment decisions in the past and thus the use of historical market returns to estimate the EMRP would be inappropriate.

It is also likely that the EMRP is not constant over time as investors' perceptions of the relative riskiness of investing in equities change. Investor perceptions will be influenced by several factors such as current economic conditions, inflation, interest rates and market trends. The historical risk premium assumes the EMRP is unaffected by any variation in these factors in the short to medium term.

Historical estimates are sensitive to the following:

- the time period chosen for measuring the average
- the use of arithmetic or geometric averaging for historical data
- selection of an appropriate benchmark risk free rate
- the impact of franking tax credits
- exclusion or inclusion of extreme observations.

The EMRP is highly sensitive to the different choices associated with the measurement period, risk free rate and averaging approach used and as a result estimates of the EMRP can vary substantially.

We have considered the most recent studies undertaken by the Securities Industry Research Centre of Asia-Pacific Limited, Morningstar, Inc. (Morningstar), ABN AMRO/London Business School and Aswath Damodaran (Damodaran). These studies generally calculate the EMRP to be in the range of 5% to 8%.

Prospective approach

The prospective approach is a forward looking approach that is current, market driven and does not rely on historical information. It attempts to estimate a forward looking premium based on either surveys or an implied premium approach.

The survey approach is based on investors, managers and academics providing their long term expectations of equity returns. Survey evidence suggests that the EMRP is generally expected to be in the range of 6% to 8%.

The implied approach is based on either expected future cash flows or observed bond default spreads and therefore changes over time as share prices, earnings, inflation and interest rates change. The implied premium may be calculated from the market's total capitalisation and the level of expected future earnings and growth.

Selected EMRP

We have considered both the historically observed EMRP and the prospective approaches as a guideline in determining the appropriate EMRP to use in this report. Australian studies on the historical risk premium approach generally indicate that the EMRP would be in the range of 5% to 8%.

In recent years it has been common market practice in Australia in expert's reports and regulatory decisions to adopt an EMRP of 6%.

The recent severe decline in resources related equity values worldwide and the difficulty resources companies are experiencing in raising equity capital may be indicative of investors demanding a greater risk premium. In addition, with particular regard to expected future cash flows and observed bond default spreads, current prospective measures appear to indicate an increase in the EMRP.

Having considered the various approaches and their limitations, we consider an EMRP of 7.25% to be appropriate.

Beta estimate (β)

Description

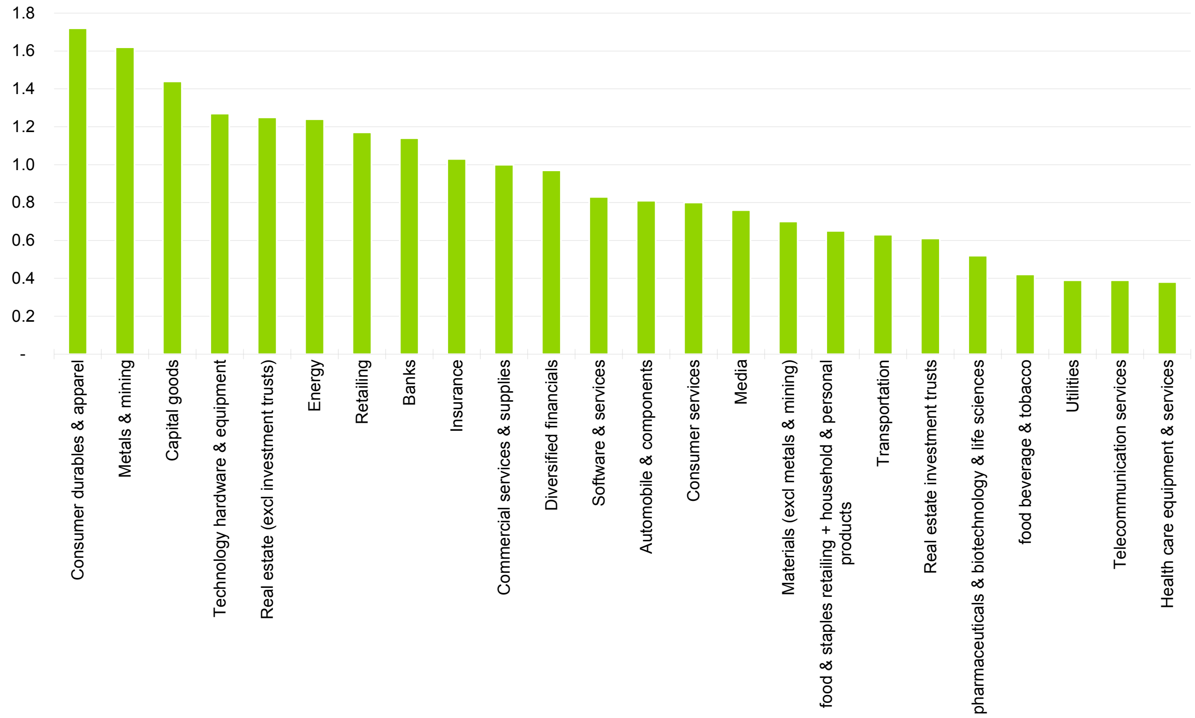
The beta coefficient measures the systematic risk or non-diversifiable risk of a company in comparison to the market as a whole. Systematic risk, as separate from specific risk as discussed below, measures the extent to which the return on the business or investment is correlated to market returns. A beta of 1.0 indicates that an equity investor can expect to earn the market return (i.e. the risk free rate plus the EMRP) from this investment (assuming no specific risks). A beta of greater than one indicates greater market related risk than average (and therefore higher required returns), while a beta of less than one indicates less risk than average (and therefore lower required returns).

Betas will primarily be affected by three factors which include:

- the degree of operating leverage employed by the firm in that companies with a relatively high fixed cost base will be more exposed to economic cycles and therefore have higher systematic risk compared to those with a more variable cost base
- the degree of financial leverage employed by a firm in that as additional debt is employed by a firm, equity investors will demand a higher return to compensate for the increased systematic risk associated with higher levels of debt
- correlation of revenues and cash flows to economic cycles, in that companies that are more exposed to economic cycles (such as retailers), will generally have higher levels of systematic risk (i.e. higher betas) relative to companies that are less exposed to economic cycles (such as regulated utilities).

The betas of various Australian industries listed on the ASX are indicated below and provide an example of the relative industry betas for a developed market.

Figure 12



Source: Securities Industry Research Centre of Asia-Pacific Limited

The differences relate to the business risks associated with the industry. For example, the above diagram suggests that transportation companies have a close correlation to overall market returns with a beta close to 1.0 whereas telecommunications and other infrastructure companies (in particularly those that are regulated) typically have betas lower than 1.0.

The geared or equity beta can be estimated by regressing the returns of the business or investment against the returns of an index representing the market portfolio, over a reasonable time period. However, there are a number of issues that arise in measuring historical betas that can result in differences, sometimes significant, in the betas observed depending on the time period utilised, the benchmark index and the source of the beta estimate. For unlisted companies it is often preferable to have regard to sector averages or a pool of comparable companies rather than any single company's beta estimate due to the above measurement difficulties.

Market evidence

In estimating an appropriate beta for the Paddington Project and the Mount Morgan project we have considered the betas of listed companies that are comparable to these projects. For the Paddington Project we have primarily relied upon the calculated betas for Australian and international gold mining companies with producing projects. For the Mount Morgan project, we have primarily relied on Australian gold exploration companies and have considered the cash flows attributable to Norton to be akin to the risks of an exploration stage gold mining project. These betas, which are presented below, have been calculated based on weekly and monthly returns, over a two and four year period, respectively, and have been compared to a relevant local index and the Morgan Stanley Capital International World Index (MSCI Index).

Table 21: Analysis of betas for listed companies with comparable operations to the Paddington Project

			2 year weekly				4 year monthly			
			Local Index		MSCI Index		Local Index		MSCI Index	
Company name	Enterprise value[1] (AUD million)	Debt to enterprise value (%)	Unlevered	Levered	Unlevered	Levered	Unlevered	Levered	Unlevered	Levered
Norton Gold Fields Limited	**236**	**42.7%**	**0.32**	**0.20**	**-0.26**	**-0.17**	**0.11**	**0.08**	**-0.05**	**-0.04**
Comparable companies – producing companies										
Saracen Mineral Holdings Limited	244	0.0%	n/m[2]	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Focus Minerals Limited	7	0.0%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
ST Barbara Ltd.	329	79.0%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Northern Star Resources Limited	1,044	0.0%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Regis Resources Limited	1,038	3.2%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Silver Lake Resources Limited	137	0.0%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Ramelius Resources Limited	36	0.0%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Evolution Mining Limited	781	16.7%	1.48	1.24	n/m	n/m	1.31	1.18	n/m	n/m
Alacer Gold Corp.	567	0.0%	n/m	n/m	n/m	n/m	2.20	2.19	n/m	n/m
Independence Group NL	1,025	0.0%	1.52	1.51	1.19	1.19	2.25	2.25	1.76	1.76
Kingsgate Consolidated Limited	277	36.1%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Gold Road Resources Limited	166	0.0%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Average	**471**	**33.7%**	**1.50**	**1.38**	**1.19**	**1.19**	**1.92**	**1.87**	**1.76**	**1.76**
Comparable companies - large international										
Newcrest Mining Limited	14,337	29.9%	0.94	0.72	n/m	n/m	n/m	n/m	n/m	n/m
Goldcorp Inc.	23,590	12.9%	1.30	1.20	n/m	n/m	1.64	1.57	n/m	n/m
Barrick Gold Corporation	30,319	39.2%	1.74	1.23	n/m	n/m	1.69	1.29	n/m	n/m
Newmont Mining Corporation	21,159	26.5%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Polyus Gold International Limited	11,200	3.5%	n/m	n/m	n/m	n/m	0.66	0.65	0.60	0.59
Yamana Gold, Inc.	4,129	0.0%	1.65	1.36	n/m	n/m	1.50	1.33	n/m	n/m
Kinross Gold Corporation	5,804	21.9%	1.80	1.51	n/m	n/m	1.41	1.27	n/m	n/m
AngloGold Ashanti Ltd.	8,925	40.2%	0.97	0.67	n/m	n/m	1.04	0.80	n/m	n/m
Eldorado Gold Corporation	6,254	0.5%	1.62	1.62	n/m	n/m	2.21	2.21	n/m	n/m
Gold Fields Ltd.	7,440	23.9%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Average	13,315	22.0%	**1.43**	**1.19**	**n/a**	**n/a**	**1.45**	**1.30**	**0.60**	**0.59**

Notes: 1. Enterprise value as at the Announcement Date.
2. Betas showing as "n/m" have an R-squared lower than 5%.
Source: Capital IQ and Deloitte analysis

Table 22: Analysis of betas for listed companies with comparable operations to the Mount Morgan project

			2 year weekly				4 year monthly			
			Local Index		MSCI Index		Local Index		MSCI Index	
Company name	Enterprise value[1] (AUD million)	Debt to enterprise value (%)	Unlevered	Levered	Unlevered	Levered	Unlevered	Levered	Unlevered	Levered
Comparable companies - pure exploration										
Adelaide Resources Ltd.	6	0.0%	n/m[2]	n/m	n/m	n/m	4.21	4.21	n/m	n/m
Carbine Resources Limited	(1)	668.9%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Convergent Minerals Limited	5	10.2%	n/m	n/m	n/m	n/m	1.91	1.86	n/m	n/m
PanTerra Gold Limited	76	80.0%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Echo Resources Limited	11	0.0%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
GBM Resources Ltd	9	0.0%	n/m	n/m	n/m	n/m	n/m	n/m	1.78	1.78
Intermin Resources Ltd.	6	0.0%	n/m	n/m	n/m	n/m	1.61	1.61	1.57	1.57
Laneway Resources Limited	7	7.1%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
MGT Resources Limited	22	37.7%	n/m	n/m	n/m	n/m	1.37	1.06	n/m	n/m
Mungana Goldmines Ltd	35	13.4%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Orion Gold NL	9	0.0%	n/m	n/m	n/m	n/m	n/m	n/m	3.11	2.60
Horseshoe Metals Limited	2	0.0%	n/m	n/m	n/m	n/m	2.54	2.54	n/m	n/m
Average	**16**	**136.2%**	**n/a**	**n/a**	**n/a**	**n/a**	**2.33**	**2.25**	**2.15**	**1.98**

Notes: *1. Enterprise value as at the Announcement Date*
2. Betas showing as "n/m" have an R-squared lower than 5%.
Source: *Capital IQ and Deloitte analysis*

Table 23: Large diversified mining company betas

Company name	Enterprise value[1] (AUD million)	Debt to enterprise value (%)	2 year weekly Local Index Levered	2 year weekly Local Index Unlevered	2 year weekly MSCI Index Levered	2 year weekly MSCI Index Unlevered	4 year monthly Local Index Levered	4 year monthly Local Index Unlevered	4 year monthly MSCI Index Levered	4 year monthly MSCI Index Unlevered
Large diversified miners										
BHP Billiton Limited	187,046	16.2%	1.21	1.09	1.02	0.92	1.17	1.09	0.81	0.75
Rio Tinto Ltd.	131,580	11.5%	1.04	0.94	0.79	0.72	1.32	1.22	1.02	0.94
Vale S.A.	81,231	34.6%	0.98	0.79	1.12	0.90	1.23	1.04	1.44	1.21
Anglo American plc	50,996	28.2%	1.05	0.86	0.86	0.71	1.18	1.03	0.86	0.75
Fortescue Metals Group Limited	17,095	53.4%	1.46	0.94	1.00	0.64	1.87	1.36	1.34	0.97
Average			**1.15**	**0.92**	**0.96**	**0.78**	**1.35**	**1.15**	**1.09**	**0.93**

Notes: 1. Enterprise value as at the Announcement Date.
Source: Capital IQ and Deloitte analysis

The observed beta is a function of the underlying risk of the cash flows of the company, together with the capital structure and tax position of that company. This is described as the levered beta.

The capital structure and tax position of the entities in the table above may not be the same as those of the Paddington Project and the Mount Morgan project. The levered beta is often adjusted for the effect of the capital structure and tax position. This adjusted beta is referred to as the unlevered beta. The unlevered beta is a reflection of the underlying risk of the pre-financing cash flows of the entity.

Selected beta (β)

Paddington Project

In selecting an appropriate beta for the Paddington Project we have considered the following:

- the most relevant Australian gold mining companies, which have assets in the production phase and are located around the eastern goldfields of Western Australia. To gain an understanding of a benchmark beta for the gold mining industry, we have also considered the betas of large multi-national gold mining companies
- the calculated betas of the vast majority of the comparable companies exhibit low coefficients of determination, which leads us to place limited reliance on these observations. We have instead estimated a beta based on an analysis of betas of mining companies in general and our assessment of the risks related to gold mining companies, and the Paddington Project more specifically, relative to the broader sector
- the average beta for all mining companies listed on the ASX as at 30 September 2014 was 1.60. This average beta includes mining companies from early stage junior explorers through to large diversified miners. Miners who have mature producing assets are typically lower risk relative to exploration and development stage miners due to the inherent risk associated with exploration and the significant amount of capital expenditure, and therefore funding, required to develop projects. The figure below provides a summary of the risk profile of mining companies at various stages of the mining life cycle. We would therefore expect producing mining companies and assets to have a beta below the industry average of 1.60

Figure 13

Phase	Funding requirements	Project risk	Finance risk	Cost of equity
Exploration	Low	Very high	Very high (but no debt)	Very high
Pre-development	Medium		High	High
Construction	Very high			Medium
Production	Low	Low	Low	Low

Source: Adapted from The Valuation of Businesses, Shares and Other Equity, 4th edition, W Lonergan

- we have observed betas for the largest diversified mining companies, which we would expect to have betas at the low end of the range for the industry due to their relative size and diversification compared with their peers. The average unlevered beta for these companies is 0.78 and 0.93 respectively measured on a two year weekly and four year monthly basis against the MSCI Index
- industries with betas below one are generally those that provide a non-discretionary goods or service or have low levels of financial and operating leverage. By comparison, mining companies have significant capital costs and therefore often require high level of financial leverage. Furthermore, mining companies are price takers and usually have limited flexibility in their operating costs. Coupled with high exit costs, this means mining companies are highly leveraged to commodity price movements that are typically volatile and dependent on the global economic cycle. We would therefore expect mining companies to have a beta of 1 or more, with producing mining companies toward the lower end of the range, all else being equal
- gold mining companies are subject to the same exploration, development and mining related risks as companies in other extractive industries. However, gold is a financial asset rather than a commodity, and gold producers are therefore not subject to the same demand side risks that drives volatility in other commodities. Furthermore, an active futures market for gold allows producers to lock in prices over the medium term at prices approximate to the current spot price plus the risk free rate for the period to delivery. For this reason, we consider gold producers to be lower risk than producers of other more volatile commodities, all else being equal. We would therefore expect a producing gold project to have a beta of between 1 and 1.2
- Paddington has a long history of production to support assumptions underlying forecast future cash flows. In addition, the cash flows are based on proven and probable reserves over a relatively short LOM of 6 years. We consider these factors to reduce the risk associated with forecast production, and would therefore expect, all else being equal, Paddington to have a lower beta relative to comparable companies whose beta incorporates risk relating to reserves, resources and future exploration success
- assuming an unlevered beta range of 1.0 to 1.1, a corporate tax rate of 30% and a debt to equity mix of 25% debt and 75% equity gives a re-levered, Blume-adjusted beta range of 1.15 to 1.25.

On this basis we have selected a levered beta of 1.15 to 1.25 for the Paddington Project.

Mount Morgan periodic payment rights

In selecting an appropriate beta for the Mount Morgan periodic payment rights we have considered the following:

- the cash flows attributable to Norton for the Mount Morgan project have the characteristics of an exploration stage project, as the cash flows rely on the outcome of a future feasibility study and the ability of Carbine to raise capital to fund the Mount Morgan project. However, the probability weighting of cash flows based on the likelihood of future feasibility study and capital funding hurdles being overcome captures a significant amount of the risk that is particular to exploration stage companies, and those risks are therefore already factored into our valuation
- however, at the completion of a successful capital raising the receipt of future cash flows from Mount Morgan will still have the same development and mining related risks that development stage companies face. We therefore consider an appropriate discount rate to be one that we would estimate for a development stage gold project
- in addition, the technology required to separate the copper from the gold elements is untested at a full production volume level, and therefore represents additional technology risk
- the calculated betas of the majority of the comparable companies exhibit low coefficients of determination, which leads us to place limited reliance on these observations. We have instead estimated a beta based on a similar analysis to our assessment of beta for the Paddington Project

- the average beta for all mining companies listed on the ASX as at 30 September 2014 was 1.60. This average beta includes mining companies from early stage junior explorers through to large diversified miners. We would expect a development stage company to be at or above the industry average beta, based on the significant operational risks faced by development stage assets.
- Based on the above, we consider an unlevered beta in the range of 1.80 to 2.30 to be reasonable.
- assuming an unlevered beta range of 1.80 to 2.30, a corporate tax rate of 30% and a debt to equity mix of 5% debt and 95% equity gives a re-levered, Blume-adjusted beta range of 1.60 to 1.95.

On this basis we have selected a levered beta of 1.60 to 1.95 for the Mount Morgan cash flows.

Specific company risk premium (α)

The specific company risk premium adjusts the cost of equity for company specific factors, including non-systematic risk factors such as:

- company size (which we discuss in detail below)
- depth and quality of management
- reliance on one key individual or a few key members of management
- reliance on key customers
- reliance on key suppliers
- product diversity (limits on potential customers)
- geographic diversity
- labour relations, quality of personnel (union/non-union)
- capital structure, amount of leverage
- existence of contingent liabilities.

The CAPM assumes that rational investors seek to hold efficient portfolios, that is, portfolios that are fully diversified. One of the major conclusions of the CAPM is that investors do not have regard to specific company risks (often referred to as non-systematic risk).There are, however, several empirical studies that demonstrate that the investment market does not ignore specific company risks. In particular, studies show that on average, smaller companies have higher rates of return than larger companies (often referred to as the size premium).

We do not consider a specific company risk premium to be necessary for either the Paddington Project or Mount Morgan as the betas selected capture the relevant risks for each project.

Dividend imputation

Dividends paid by Australian corporations may be franked, unfranked, or partly franked. A franked dividend is one that is paid out of company profits which have borne tax at the company rate, currently 30%. Where the shareholder is an Australian resident individual or complying superannuation fund, it will generally be entitled to a tax credit (called an imputation credit) in respect of the tax paid by the company on the profits out of which the dividend was paid. If the recipient of the dividend is another company, the dividend will give rise to a credit in that company's franking account thereby increasing the potential of the company to pay a franked dividend at a later stage.

We have not adjusted the cost of capital or the projected cash flows for the impact of dividend imputation due to the diverse views as to the value of imputation credits and the appropriate method that should be employed to calculate this value. Determining the value of franking credits requires an understanding of shareholders' personal tax profiles to determine the ability of shareholders to use franking credits to offset personal income. Furthermore, the observed EMRP already includes the value that shareholders ascribe to franking credits in the market as a whole. In our view, the evidence relating to the value that the market ascribes to imputation credits is inconclusive.

Conclusion on cost of equity

Based on the above factors we arrive at a K_e for the Paddington Project and Mount Morgan as follows:

Table 24

Input	Paddington Project Low	Paddington Project High	Mount Morgan Low	Mount Morgan High
Risk free rate (%)	2.62%	2.62%	2.62%	2.62%
EMRP (%)	7.25%	7.25%	7.25%	7.25%
Beta	1.15	1.25	1.60	1.95
K_e – calculated (%)	**10.96%**	**11.68%**	**14.22%**	**16.76%**

Source: Deloitte analysis

Cost of debt capital (K_d)

We have estimated the cost of debt of the Paddington Project to be 5.6%, which represents a margin of 300bps above the risk free rate. This has been estimated after considering the following:

- Norton currently has AUD145.0 million of secured loan facilities with a term of three years and an average interest rate of approximately 4.4%.
- Norton does not have a credit rating on which to base a suitable debt margin. The Paddington Project would not be regarded as investment grade and would likely be required to pay a debt margin greater than the lowest investment grade bond in Australia, being BBB
- the average 5-year BBB debt margin in January 2015 was 205 basis points above the relevant risk free rate
- our selected level of gearing for the Paddington Project.

We have estimated the cost of debt of the Mount Morgan project to be 7.6%, which represents a margin of 500bps over the risk free rate. This has been estimated after considering the following:

- we would expect the debt margin applicable to Mount Morgan to be higher than the appropriate debt margin for the Paddington Project because the Mount Morgan project's exploration assets are inherently more risky
- our selected level of gearing for the Mount Morgan project.

Debt and equity mix

Paddington Project

We have considered the following factors in estimating the debt to equity mix for the Paddington Project:

- the average market gearing of the Australian comparable gold producing companies set out in Table 26, of 33.7%
- the average market gearing of the large international gold mining companies set out in Table 23, of 22.0%
- our understanding of the ongoing capital expenditure requirements for the Paddington Project/ a gold project of this size and nature.

We have estimated the target debt to equity mix of the Paddington Project to be 25% debt and 75% equity based on the average gearing of comparable listed comparable companies and other relevant considerations set out above.

Mount Morgan project

We have considered the following factors in estimating the debt to equity mix for the Mount Morgan project:

- there is a lot of variation in the level of gearing in the comparable exploration companies we considered in Table 22 and we therefore do not consider the average to be meaningful
- our understanding of risky gold exploration projects and the difficulty in obtaining debt financing for a project such as the Mount Morgan project. However, we also understand that Management does not expect the Mount Morgan project to require a significant amount of capital expenditure to move the project into production.

We have estimated the target debt to equity mix of the Mount Morgan project to be 5% debt and 95% equity based on the considerations set out above.

Calculation of WACC

Based on the above, we have calculated the post-tax WACC for the Paddington Project and the Mount Morgan project as follows:

Table 25

	Paddington Project		Mount Morgan	
	Low	High	Low	High
Cost of equity capital (%)	10.96%	11.68%	14.22%	16.76%
Cost of debt capital, post-tax (%)	3.93%	3.93%	5.33%	5.33%
Debt to enterprise value ratio (%)	25.00%	25.00%	5.00%	5.00%
Tax rate (%)	30.00%	30.00%	30.00%	30.00%
WACC, post-tax (%) (nominal)	**9.20%**	**9.75%**	**13.78%**	**16.19%**
WACC, post-tax (%) (real)[1]	**6.54%**	**7.07%**	**11.00%**	**13.35%**
Selected WACC (%) (nominal)	n/a	n/a	**14.00%**	**16.00%**
Selected WACC (%) (real)	**6.5%**	**7.0%**	n/a	n/a

Source: Deloitte analysis
1. Real, post tax WACC calculated by applying the Fischer equation

Appendix E: Comparable entities

Table 26

Entity	Country	Enterprise value (AUD million)	Annual Production (koz)	Average Grade (g/t)	Reserves (koz)	Resources (koz)	Control basis Reserve multiple (AUD / oz)	Control basis Resource multiple (AUD / oz)
Saracen Mineral Holdings Limited	Australia	323	133,492	1.6	1,653	7,047	195.7x	45.9x
St Barbara Limited	Australia	350	374,000	2.0	5,165	13,161	67.8x	26.6x
Northern Star Resources Limited	Australia	1,365	600,000	4.3	1,188	9,282	1,149.4x	147.1x
Regis Resources Limited	Australia	1,339	270,759	1.0	2,528	8,007	529.7x	167.2x
Silver Lake Resources Limited	Australia	182	500,000	4.4	253	2,363	718.3x	77.0x
Ramelius Resources Limited	Australia	50	90,000	2.4	427	2,250	116.0x	22.0x
Evolution Mining Limited	Australia	976	427,703	1.6	2,625	5,686	371.7x	171.6x
Independence Group	Australia	1,341	145,000	1.9	4,204	13,369	319.0x	100.3x
Doray Minerals Limited	Australia	130	85,000	10.8	220	439	591.1x	296.2x
Average		**673**	**291,773**	**3.4**	**2,029**	**6,845**	**51.0x**	**117.1x**
High		**1,365**	**600,000**	**10.8**	**5,165**	**13,369**	**1,149.4x**	**296.2x**
Low		**50**	**85,000**	**1.0**	**220**	**439**	**67.8x**	**22.0x**

Source: Capital IQ, Deloitte analysis

Appendix F: Comparable transactions

Table 27

Announcement date	Target / Project	Bidder	Deal value (AUD million)	Implied enterprise value (AUD million)	Interest acquired	Control	Total Reserves (koz)	Total Resources (koz)	Enterprise value / reserves (AUD / oz)	Enterprise value / resources (AUD / oz)
12-May-14	Jundee Underground	Northern Star Resources Limited	82	82	100%	Yes	411	507	200.2x	162.3x
17-Apr-14	Bullabulling Gold Limited	Norton Gold Fields Limited	28	25	100%	Yes	-	3,214	n/a	7.9x
21-Jan-14	Thunderbox /Bannockburn	Saracen Mineral Holdings Limited	23	23	100%	Yes	728	2,090	31.6x	11.0x
22-Dec-13	Plutonic Gold Mine	Northern Star Resources Limited	25	25	100%	Yes	206	1,747	121.4x	14.3x
22-Aug-13	Granny Smith/Lawlers /Darlot	Gold Fields Ltd.	353	353	100%	Yes	2,600	4,500	135.9x	78.5x
16-Jul-13	Minjar Gold Pty Ltd	Shandong Tyan Home Co., Ltd	234	260	90%	Yes	-	1,093	n/a	237.5x
9-Aug-12	McPhillamys Gold Project	Regis Resources Limited	162	162	100%	Yes	-	2,500	n/a	64.9x
6-Aug-12	Integra Mining Ltd.	Silver Lake Resources Limited	432	422	100%	Yes	514	2,055	820.7x	205.2x
14-May-12	Westgold Resources Limited	Metals X Limited	62	81	73%	Yes	856	3,977	94.9x	20.4x
3-Apr-12	Norton Gold Fields Limited	Jinyu (H.K.) International Mining	198	201	72%	Yes	1,010	5,970	199.1x	33.7x
	Average								**212.8x**	**83.6x**
	High								**820.7x**	**237.5x**
	Low								**31.6x**	**7.9x**

Source: Mergermarket, Capital IQ, Deloitte analysis

Appendix G: Control premium

Deloitte study

We conducted a study of premiums paid in Australian transactions completed between 1 January 2000 and 31 August 2013. This study was conducted by Deloitte staff for internal research purposes. Our merger and acquisition data was sourced from Bloomberg, Reuters and Capital IQ and yielded 530 transactions that were completed during the period under review[3].

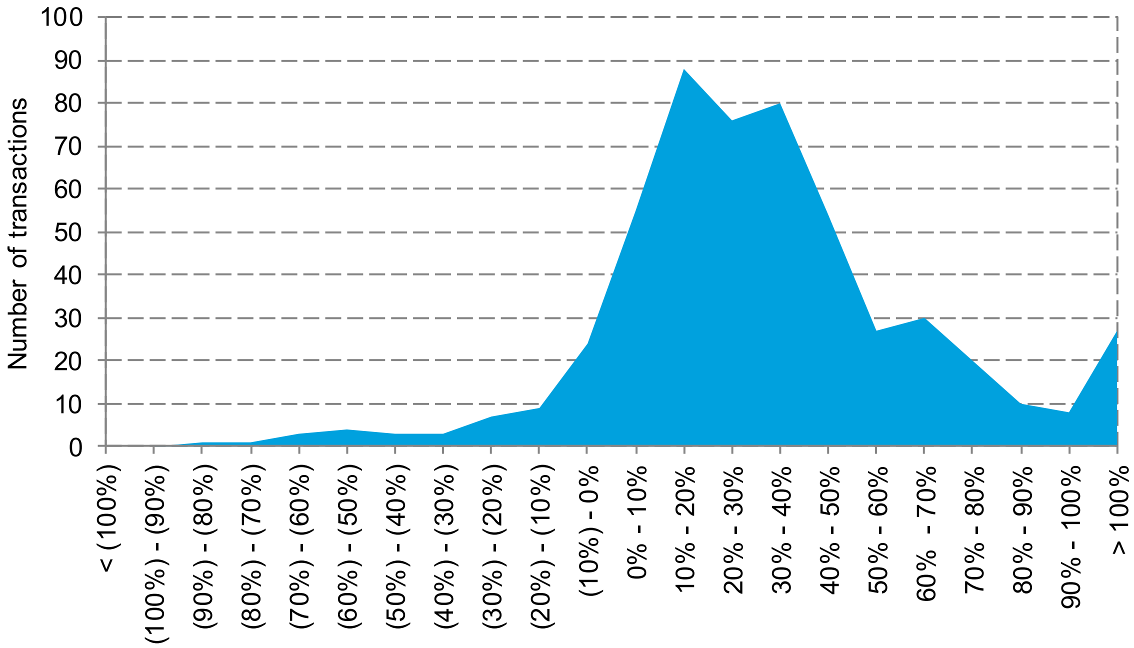
Our data set consisted of transactions where an acquiring company increased its shareholding in a target company from a minority interest to a majority stake or acquired a majority stake in the target company.

We assessed the premiums by comparing the offer price to the closing trading price of the target company one month prior to the date of the announcement of the offer. Where the consideration included shares in the acquiring company, we used the closing share price of the acquiring company on the day prior to the date of the offer.

Summary of findings

As the following figure shows, premiums paid in Australian transactions between 1 January 2000 and 31 August 2013 are widely distributed with a long 'tail' of transactions with high premiums.

Figure 14



Source: Deloitte analysis

[3] Excluding transactions where inadequate data was available.

The following table details our findings.

Table 28

	Control premium
Average	34%
Median	29%
Upper quartile	47%
Lower quartile	12%

Source: Deloitte analysis

Notwithstanding the relatively wide dispersion of control premiums observed in our study we consider the control premium range of 20% to 40% to be representative of general market practice for the following reasons.

Many of the observed control premiums below 20% are likely to have been instances where the market has either been provided with information or anticipated a takeover offer in advance of the offer being announced. Accordingly, the pre-bid share trading price may already reflect some price appreciation in advance of a bid being received, which creates a downward bias on some of the observed control premiums in our study.

Many of the observed control premiums above 40% are likely to have been influenced by the following factors which create an upward bias on some of the observed control premiums in our study:

- some acquirers are prepared to pay above fair market value to realise ‘special purchaser’ value which is only available to a very few buyers. Such ‘special purchaser’ value would include the ability to access very high levels of synergistic benefits in the form of cost and revenue synergies or the ability to gain a significant strategic benefit
- abnormally high control premiums are often paid in contested takeovers where there are multiple bidders for a target company. In such cases, bidders may be prepared to pay away a greater proportion of their synergy benefits from a transaction than in a non-contested situation
- some of the observations of very high premiums are for relatively small listed companies where there is typically less trading liquidity in their shares and they are not closely followed by major broking analysts. In such situations, the traded price is more likely to trade at a deeper discount to fair market value on a control basis.

Accordingly, the observed control premiums to share trading prices for such stocks will tend to be higher.

Other studies

In addition to the study above, we have also had regard to the following:

- a study conducted by S.Rossi and P.Volpin of London Business School dated September 2003, ‘Cross Country Determinants of Mergers and Acquisitions’, on acquisitions of a control block of shares for listed companies in Australia announced and completed from 1990 to 2002. This study included 212 transactions over this period and indicated a mean control premium of 29.5% using the bid price of the target four weeks prior to the announcement
- ‘Valuation of Businesses, Shares and Equity’ (4th edition, 2003) by W.Lonergan states at pages 55-56 that: “Experience indicates that the minimum premium that has to be paid to mount a successful takeover bid was generally in the order of at least 25 to 40 per cent above the market price prior to the announcement of an offer in the 1980s and early 1990s. Since then takeover premiums appear to have fallen slightly.”
- a study conducted by P.Brown and R.da Silva dated 1997, ‘Takeovers: Who wins?’, JASSA: The Journal of the Securities Institute of Australia, v4(Summer):2-5. The study found that the average control premium paid in Australian takeovers was 29.7% for the period January 1974 to June 1985. For the ten year period to November 1995, the study found the average control premium declined to 19.7%.

Appendix H: Snowden report

Norton Gold Fields Limited

ITR and Mineral Asset Valuation of

Norton Gold Fields Limited's Mineral Assets

Project No. AU4573

April 2015

Final

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2 April 2015

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Dear Sir/Madam

INDEPENDENT TECHNICAL REPORT AND MINERAL ASSET VALUATION OF NORTON GOLD FIELDS LIMITED'S MINERAL ASSETS

Norton Gold Fields Limited ("Norton") requested Snowden Mining Industry Consultants ("Snowden") to provide an Independent Technical Report ("ITR") and Mineral Asset Valuation of Norton's mineral assets. This ITR will be included in an Independent Expert's Report ("IER") to be prepared by Deloitte in relation to Zijin Mining Group Company Ltd ("Zijin") acquiring the remaining shares of Norton, as announced on 13 January 2015 (the "Announcement Date") for A$0.20 per share.

On 6 February 2015, Norton announced that it had entered into a binding Scheme Implementation Agreement ("SIA") with its majority shareholder, Zijin. The SIA provides that Zijin will acquire all of the issued securities that it does not already own, by way of a Court approved Scheme of Arrangement for an offer consideration of A$0.20 per share (the "Proposal"). Zijin (through its wholly owned subsidiary, Jinyu (H.K.) International Mining Company Limited) currently holds approximately 82.43% of Norton's shares. If the Scheme of Arrangement is approved, Norton's shareholders who are not associated with Zijin or its related entities ("Non-Associated Shareholders") will receive a cash consideration of A$0.20 for each Norton share they own.

The Proposal has been considered by the independent directors of Norton who in the absence of a superior proposal and subject to an independent expert concluding that the Proposal is in the best interests of Norton shareholders, unanimously support the Proposal and recommend that Norton shareholders vote in favour of the Proposal.

The key conditions for implementation are:

- Minority Shareholder approval (requiring approval by at least 50% in number of Minority Shareholders voting (in person or by Proxy), and who represent at least 75% of the total votes cast).
- Australian Foreign Investment Review Board ("FIRB") approval.
- Australian Securities Exchange ("ASX") and Australian Securities and Investments Commission ("ASIC") approval.

- Chinese regulatory approvals.
- The independent expert concluding that the Proposal is in the best interests of Minority Shareholders.
- Court approval.
- No material adverse change, ‘prescribed occurrence’ or regulatory restraint.

Snowden understands that FIRB approval was subsequently obtained on 25 February 2015. Approval was also obtained from the National Development and Reform Commission (“NDRC”) of China on 25 February.

On behalf of Norton, Deloitte requested Snowden to prepare an ITR of the Paddington Operations, including a review of the technical aspects of forecast cash flow assumptions in the Life of Mine (“LOM”) Plan, including (but not limited to) the following areas including actuals versus schedules:

- Production rates and schedules
- Capital costs
- Operating costs
- Resource conversion to mineable reserves.

In addition, Deloitte requested Snowden to determine the value range for:

- Paddington exploration areas outside of present operating Mining Reserves
- Bullabulling Project (Coolgardie) – development stage.

Norton currently owns the Mount Morgan and Many Peaks Projects in central Queensland, which are currently under option to purchase by Carbine Resources Limited (“Carbine”) through Raging Bull Metals. Snowden was requested to review the proposed metallurgical process and recoveries to assist Deloitte in valuing these two projects.

Paddington Life of Mine Plan

Snowden has reviewed the Paddington Project LOM Plan and consider that the assumptions and parameters included in the model are reasonable. Snowden notes that mining of some of the lower grade deposits at Paddington is only economic at the current or elevated gold price. However, Snowden is aware that Paddington Gold Mine has the flexibility to change the LOM Plan and if necessary, should the gold price fall significantly, to toll treat ore from other gold deposits nearby, with higher grades, belonging to other companies.

Snowden has reviewed the technical assumptions of the LOM Plan, shown in a financial model dated 31 December 2014, which is based on reported Ore Reserves and considers that they are reasonable. Snowden reviewed the reserve tonnes and grade, capital costs, operating costs and process recoveries and is satisfied that they are generally reasonable for the medium-term timeframe involved. Snowden considers that the other capital costs for mine development are in the normal range of expectations.

Although not in the scope of work, Snowden has also briefly reviewed the technical assumptions of the Strategic LOM Plan, shown in a financial model dated 18 February 2015, which is based on Mineral Resources and Mining Inventory excluded from the LOM Plan and include refractory ore at Racetrack and heap leach and/or large carbon in pulp (“CIP”) plant establishment at Binduli and Bullabulling. Snowden considers that these projects, although somewhat speculative, have potential to be developed in the longer term provided the gold price remains at or above current levels. These projects involve significant capital expenditure and will require the backing of a significant parent company.

Snowden considers that the operations at Paddington conform to standard industry practice and acknowledges that there are many small projects that can be developed which require additional studies (including metallurgical testwork), reworking (re-optimisations of open pits) and the provision of necessary capital funding. Snowden's site observation is that the abundant available projects represent difficulties to Norton strategic staff in terms of ranking these opportunities and devoting appropriate resources to their investigation and development. Snowden considers that the Paddington region has potential for the discovery of additional gold deposits, particularly adjacent to known resources.

Mount Morgan Project

Snowden has reviewed the metallurgical studies undertaken at Mount Morgan by Carbine to assist Deloitte in valuing the Mount Morgan gold/copper tailings and Many Peaks copper projects as part of the IER. Snowden concluded the following.

Snowden comments that only publicly available information could be reviewed, and no testwork data was made available. As a result, information presented in the documents, especially with regards to recoveries and operating costs, could not be confirmed. However, the price projections are considered realistic.

Removal of soluble copper via a weak acid leach is viable and will result in a reduction of cyanide consumption by the copper. There will however still be copper left in the remaining solids which will still consume some of the cyanide. If further testwork achieves higher copper removal, cyanide consumption can be further reduced and it is very likely that gold recovery will then further improve.

Ion exchange to recover the copper is suitable for smaller flow rates and is viable for this operation. From a technical perspective it is not significantly different from a normal solvent extraction-electrowinning ("SX/EW") circuit, except that the solvent extraction ("SX") circuit is replaced with an ion exchange ("IX") circuit. Extraction is usually achieved by the same or very similar chemical mechanisms. IX recoveries of copper should be reasonable, but again no testwork data was presented for review to confirm the recoveries based on actual testwork data.

Current data show:

- gold recovery of 78%
- copper recovery of 56%
- pyrite recovery of 91%.

Although achieved on a small laboratory scale, Snowden cautions that recoveries on a commercial scale plant are often between 2% and 5% lower than laboratory scale recoveries.

Capital costs of A$81.9 M as shown in the Scoping Study are considered conservative for a 1 Mtpa plant. A breakdown of the capital costs was provided and a high-level review of the costs shows the estimate to be reasonable, but a reduction in capital costs during future studies was proposed and is likely to achieve some savings.

Total operating costs are quoted as A$32/t, of which 47% is for reagents and 25% for labour. Snowden considers that although the reagent costs are high, mainly due to high cyanide consumption, the mining costs, power costs and G&A costs appear reasonable.

All-in sustaining costs of US$393/oz Au produced are aggressive and more comprehensive data will be needed to verify these costs. At this stage though, the low all-in costs provide a reasonable margin for error, should recoveries be reduced or reagent costs increased.

The proposed process flowsheet appears reasonable, however no testwork report was provided to support the recoveries and reagent consumption shown in documents available in the public domain.

A Memorandum of Understanding is in place with CleanTeQ, who are providers of IX based technology. Snowden personnel have worked with CleanTeQ on previous projects, where they have demonstrated good IX based processes for recovery of base metals.

A conditional principal off-take agreement for 200,000 to 300,000 tpa of pyrite at roughly US$100/t CFR has been signed with Talan Ltd. This should be considered as very positive for the project, as the storage of the pyrite-rich tails would have presented a significant longer term environmental liability due to the acid generating nature of the pyrite. The pyrite can be used as a source of both iron and sulphur, with the sulphur mostly used for sulphuric acid production.

The Mount Morgan Project has a considerable environmental legacy liability and although that liability cannot be transferred directly, it does transfer for any areas disturbed by the project over and above the tailings areas. However the Queensland Government appear to be very keen for the project to proceed as it will reduce the environmental impact by reducing pyrite and mine acid drainage and will also reduce their annual monitoring and maintenance costs.

Snowden considers that the public information reviewed indicates the project has the potential to be developed by relatively new metallurgical processes including IX technology. The timing of future payments is uncertain, but Snowden considers that if the project proceeds as presently planned, they are likely to be paid within the next five years.

Fair Market Value of Mineral Resources and Exploration

Snowden has valued the Paddington and Bullabulling Mineral Resources and Exploration Potential of the individual mineral tenements, which are not included in the LOM Plan. These results are summarised in the table below from Section 8 of this report. The mineral asset valuation below is based on 2014 resource based comparable transactions and the Kilburn geo-scientific analysis of the exploration potential.

Fair Market Value of Norton's Mineral Resources and Exploration Potential

Project	Mineral asset	Lower A$M	Upper A$M	Preferred A$M
Paddington Gold	Resource value	42.80	64.21	53.53
Paddington Gold	Exploration potential	20.35	64.19	42.27
Total		**63.15**	**128.40**	**95.80**
Bullabulling Gold	Resource value	19.28	28.93	24.11
Bullabulling Gold	Exploration potential	1.70	5.81	3.75
Total		**20.98**	**34.74**	**27.86**
TOTAL		**84.13**	**163.14**	**123.66**

Snowden elected to apply a market factor of 1.0 to the technical value, as it considers that the market for gold exploration properties in the Kalgoorlie region of Western Australia ("WA") is relatively stable. During 2015 there has been a resurgence of interest in gold properties as the gold price in Australian dollars has increased. Comparable transaction values based on tenement area are broadly similar to the values derived by the geo-scientific (Kilburn) method.

Snowden considers that the Fair Market Value of Norton’s mineral assets falls within a range of A$84.13 million to A$163.14 million with a Preferred Value of **A$123.66 million**. The relatively wide range of values is a reflection of the uncertainties surrounding the future gold price and technical considerations such as processing refractory gold deposits at Paddington and developing heap leach operations for low-grade gold deposits. Snowden notes that a significant proportion of the Resource value is based on favourable metallurgical and geological assumptions regarding the Bullabulling and Binduli projects and to a lesser extent, the Racetrack deposit.

Yours faithfully

Terry Parker

B Sc.(Hons)Geology, MBA, Dip Surface Mining, FAusIMM (CP)

Principal Consultant, Mining Investment Governance

Tables

Figures

1 Introduction

1.1 Background to study

Norton Gold Fields Limited ("Norton") requested Snowden Mining Industry Consultants ("Snowden") to provide an Independent Technical Report ("ITR") and Mineral Asset Valuation of Norton's mineral assets for inclusion in an Independent Expert's Report ("IER") to be prepared by Deloitte in relation to Zijin Mining Group Company Ltd ("Zijin") acquiring the remaining shares of Norton, as reported on 13 January 2015 (the "Valuation Date") for A$0.20 per share.

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The key conditions for implementation are:

- Minority Shareholder approval (requiring approval by at least 50% in number of Minority Shareholders voting (in person or by Proxy), and who represent at least 75% of the total votes cast).
- Australian Foreign Investment Review Board ("FIRB") approval.
- Australian Securities Exchange ("ASX") and Australian Securities and Investments Commission ("ASIC") approval.
- Chinese regulatory approvals.
- The independent expert concluding that the Proposal is in the best interests of Minority Shareholders.
- Court approval.
- No material adverse change, 'prescribed occurrence' or regulatory restraint.

Snowden understands that FIRB approval was subsequently obtained on 25 February 2015.

Norton is one of Australia's largest domestic gold producers, with annual production of more than 170,000 ounces. The Company has a mining and processing complex in the Kalgoorlie gold region, including a prospective tenement package of 766 km^2 surrounding the nameplate 3.3 million tonnes per annum ("Mtpa") Paddington Mill. Norton recently acquired the Bullabulling Gold Project near Coolgardie, including a series of granted mining leases, prospecting licences and exploration licences. Norton also recently acquired the Mt Jewell Project including the Tregurtha and Hughes prospects and tenements covering an area of 325 km^2.

On 3 February 2015, MD and CEO Dr Dianmin Chen announced that “Norton aims to increase its mineral resource through a combination of exploration, innovation and acquisition. We are particularly pleased to have substantially increased our mineral resource and to have maintained our Ore Reserve above one million ounces for the seventh successive year.”

The total Measured, Indicated and Inferred Mineral Resource is estimated at 247 million tonnes (“Mt”), grading 1.3 g/t Au for 10.35 million ounces (“Moz”). Proven and Probable Mining Reserves of ore are estimated at 18.5 Mt, grading 1.87 g/t Au for 1.11 Moz.

The Company also owns the Mount Morgan Project (gold/copper tailings) and the Many Peaks Copper Project in central Queensland, which are under option to be purchased by Carbine Resources Limited (“Carbine”). Mount Morgan was once the largest copper-gold mine in the world, and Many Peaks produced over 0.5 Mt of copper ore from the early 1900s.

1.2 Previous Snowden studies

In March 2010, Snowden (Mr Alan Cooper, Principal Consultant) reviewed options for an underground gold mine and an open pit cutback at the Enterprise open pit.

In September 2011, Snowden prepared an ITR of a Feasibility Study (“FS”) for Norton’s Enterprise Open Pit project. The FS was prepared primarily by Paddington Gold Mines Pty Ltd, while the ITR was undertaken by Snowden (Ms Robyn Stonell, Senior Consultant and Mr Alan Cooper).

In June 2012, Snowden prepared an ITR and Mineral Asset Valuation of the Norton mineral assets for inclusion in an IER) on behalf of Zijin regarding a potential change of control transaction. Zijin subsequently acquired a majority interest in Norton.

As part of the 2012 study, Snowden’s geological and mining consultant, Mr Terry Parker, Principal Consultant (Mining Investment Governance) visited the Paddington operations and surrounding exploration tenements, and inspected the Navajo Chief open pit mine, Janet Ivy open pit (temporarily closed), the Blue Gums East open pit (mined out) and the Enterprise open pit (closed). Mr Parker reviewed the Homestead underground resource model and exploration plan and the Enterprise resource model (open pit and underground) and exploration plan. He also reviewed the mineral tenement package with Norton’s General Manager – Geology, for classified and unclassified mineral resources, exploration targets and exploration anomalies (geochemical and drilling). Snowden had previously produced a Prefeasibility Study (“PFS”) of the Enterprise Gold Project regarding options of underground development.

Snowden’s metallurgical consultant Dr Leon Lorenzen (Executive Consultant – Metallurgy) visited the Paddington gold mine in May 2012 and inspected the Paddington gold plant and had discussions with Norton’s metallurgical and engineering staff.

Snowden reviewed the mineral assets in the 10 Year Production Plan, shown in a financial model dated 15 March 2012, which was based on reported Ore Reserves, other Mineral Resources not converted to Ore Reserves and some Inferred Mineral Resources. Snowden reviewed the technical assumptions of the Production Plan, including but not limited to, resource tonnes and grade, capital costs, operating costs and process recoveries and was satisfied that they were acceptable at the time. Snowden also valued the remaining Mineral Resources and Exploration Potential of the mineral tenements (mining leases, exploration licences and prospecting licences).

In September 2012, Snowden compiled a resource estimate for the Bullabulling gold project. In March 2013, Snowden provided a revised resource estimate for the southern end of the mineralised trend from the Edwards deposit to the Gryphon deposit. The Bullabulling Mineral Resources were estimated by Mr Richard Sulway who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM), and was a full-time employee of Snowden (Principal Consultant) when compiling the Resources.

Although Snowden personnel have previously been involved in resource estimation and mine planning studies for the Norton projects, they have had no influence on Snowden's current review, as they are no longer working for Snowden. Snowden considers that the previous work was of a high standard and is acceptable for this review.

1.3 Scope of this study

Snowden was requested by Norton to provide Deloitte with independent technical advice for them to provide an ITR of the Paddington operation and a Mineral Asset Valuation of the Mineral Resources and Exploration Potential of the Paddington Gold Project and Bullabulling Gold Project. The Mt Jewell Project area is now included within the Paddington Gold Project.

Snowden was requested to undertake a review of the following technical and financial data of the Paddington Gold Operation:

- Review of existing mining operations.
- Review of the geology, mineralisation and Mineral Resources and confirmation the Mineral Resource statement complies with the JORC (2012) standard of disclosure for Mineral Resources.
- Review of mine planning and design, mining method, production schedule and adequacy of the Ore Reserve estimation and Resource to Reserve conversion.
- Review of processing facilities, including production achieved against production forecast, including a review of the adequacy and efficiency of the existing processing facilities.
- Operating costs, a review and opinion to assess the accuracy of mining, processing and administration operating costs, and factors which may have adversely affected individual and overall level of costs.
- Capital costs including allocated sustaining capital costs, a review and opinion to assess the accuracy of the capital costs allocated in the Norton financial model.
- Review project cash flows.
- Review the mineral tenements and exploration potential.

In respect of the Paddington operations, Snowden has reviewed the technical aspects of forecast cash flow assumptions, including (but not limited to) the following areas including actuals versus schedules:

- Production rates:
  - Ore mined
  - Ore milled
  - Feed grade
  - Gold recovery.
- Capital costs:
  - Mining
  - Processing

  - Sustaining.
- Operating costs:
  - Mining
  - Processing
  - Administration.
- Resource conversion to mineable reserves.

Snowden was required to provide the following scope of work (the “Services”):

- Input and advice on the appropriateness of the assumptions (the “Technical Assumptions”) adopted in the financial model for the Paddington project (“Model”), namely:
  - the level of reserves and resources contained in the financial models
  - production profiles (including production profiles or potential expansion cases)
  - production rates (ore milled, feed grade, recovery rates)
  - operating expenditure, including rehabilitation and abandonment costs
  - capital expenditure
  - any other assumptions considered relevant.

Snowden was also requested to:

- Assist with the assessment of the reasonableness of the assumptions for additional scenarios, in the event that more than one scenario is considered by us.
- Prepare a short-form report (“Report”) summarising the findings relating to the underlying assumptions for the Model. The Report will form part of the IER prepared by Deloitte Corporate Finance and may be provided (in part or full) to Norton and its shareholders.
- Provide a Fair Market Valuation of the exploration assets of Norton, being:
  - Kalgoorlie (WA) tenements associated with the Paddington Project – Enterprise, Homestead, Bullant, Tuart, Mount Pleasant, Federal and Janet Ivy
  - Bullabulling Project near Coolgardie (WA)

using valuation methodologies appropriate under the VALMIN Code.

1.4 Mineral assets

The following mineral assets are owned by Norton:

- The Paddington Gold Project, which consists of the following:
  - Homestead underground gold mine
  - Bullant underground gold mine
  - Enterprise open pit and underground gold mine
  - Federal open pit gold mine
  - Future gold mining projects, including Navajo Chief, Ben Hur (heap leach), Fort Scott, Janet Ivy, Racetrack (refractory), Lady Bountiful, and Tuart
  - The recently acquired Tregurtha and Hughes prospects
  - Measured, Indicated and Inferred Mineral Resources of 247 Mt at 1.3 g/t Au (10.35 Moz)
  - Proven and Probable Ore reserves of 18.5 Mt at 1.87 g/t Au (1.11 Moz)

- Exploration tenements covering an area of 1,091 km^2 within Kalgoorlie gold province, including 766 km^2 and recently acquired 325 km^2 Mt Jewell tenements.

- Bullabulling Gold Project, 70 km west-southwest of Kalgoorlie, near Coolgardie including:
  - Bullabulling Line and Gibraltar gold deposits
  - Future mining projects, including Bonecrusher, Phoenix-Bourke-Wills and Gibraltar
  - Measured, Indicated and Inferred Mineral Resources of 95.4 Mt at 1.05 g/t Au (3.22 Moz) at 30 September 2014
  - Exploration tenements covering 189 km^2.
- The Mount Morgan Project in central Queensland, a gold and copper tailings project, located 38 km southwest of Rockhampton, Queensland, which is under option to be purchased by Carbine.
- The Many Peaks Copper Project, which is located 125 km south of Gladstone, of which Norton currently owns 100%, but is also under option to be purchased by Carbine, as part of the Mount Morgan Project. Many Peaks produced over 0.5 Mt of copper ore from the early 1900s.

Figure 1.1 shows the location of Norton's projects in WA and Queensland.

Figure 1.1 Norton Gold Fields Limited projects

Source: Norton website, www.nortongoldfields.com.au

1.5 Paddington Mill

In addition to the Mineral Assets, Norton owns the Paddington Mill, with nameplate capacity of 3.3 Mtpa, which is strategically located close to Norton mining operations. Snowden has not valued the Paddington Mill as it is considered part of the Project Operations to produce gold bullion. The plant may have a residual value at the end of mine life, but this is likely to be many years in the future. The residual value would likely be used for completing the mine closure.

Since acquiring the Paddington operations in 2007, Norton has operated the mill at high levels of availability and utilisation. In 2013 the Paddington Mill delivered above nameplate annual throughput of 3.47 Mt with an average throughout rate of 425 tonnes per hour with mill availability of 93.15%. In 2014 the Paddington Mill delivered above nameplate annual throughput of 3.73 Mt with an average grade of 1.67 g/t Au and average gold recovery of 89.0%.

The Paddington Mill is based on conventional carbon-in-pulp technology which is an efficient and low cost operation. It comprises a cone crusher, a ball and SAG mill grinding circuit, gravity recovery and cyanide leaching. Gold is extracted from slurry in the leaching circuit onto activated carbon before pumping the carbon to an elution column to wash gold into solution. The gold-bearing solution is then passed through a series of electrowinning cells that deposit the gold onto stainless steel cathodes. The cathodes are rinsed to yield a gold sludge that is dried then smelted into gold doré bullion bars with approximate 80% gold. The bullion is sent to the Perth Mint for refining into gold bars.

1.6 Site visit

Mr Terry Parker (Principal Consultant – Geologist, Mining Investment Governance) and Mr Jeremy Peters (Principal Consultant – Geology/Mining, Mining Investment Governance) visited the Kalgoorlie operations on 18 and 19 February 2015. Mr Parker had previously visited the Paddington operations in May 2012.

Discussions were held with the following personnel:

- Mr Cullum Winn, General Manager Operations
- Mr Peter Ruzicka, General Manager Geology
- Mr Tim Murphy, Geology Manager
- Mr James Crump, Senior Mine Geologist
- Mr Pieter Niemann, Metallurgical Manager
- Mr Thomas Stump, Metallurgical Superintendent
- Mr Robert Byleveld, Senior Metallurgist
- Mr Albert Schauss, Open Pit Mining Manager
- Mr Bill Nene, Senior Mining Engineer.

Mr Parker inspected the Wattlebird open pit and operations. Mr Peters inspected the Wattlebird open pit and the Enterprise open pit operations. He also inspected the Bullant and Homestead underground operations. Mr Parker and Mr Peters visited the Racetrack Prospect and observed the Resource development drilling surrounding the abandoned open pits. Mr Parker had discussions with Mr Peter Ruzicka concerning the geology, exploration, and Mineral Resources of the projects and prospects.

Snowden did not visit the projects in Queensland as they are part of a joint venture agreement with Carbine. Instead, Mr Harald Muller reviewed documentation generally available in the public domain about the Mount Morgan project as presented by Carbine to assist Deloitte with the valuation of this asset.

1.7 Disclaimer

Snowden has relied on the accuracy and completeness of the technical documentation supplied to it by Norton and has made all reasonable enquiries into the material aspects of the project, and makes no warranty or representation as to the accuracy or completeness of the information provided. Furthermore, Snowden accepts no responsibility for the information or statements, opinions, or matters expressed or implied arising out of, contained in, or derived from information contained in this report, unless specifically disclosed by Snowden.

This report is provided subject to the following assumptions and qualifications:

- Norton has made available to Snowden all material information in their possession or known to them in relation to the technical, development, mining and financial aspects of the project areas, that they have not withheld any material information and that the information provided is accurate and up to date in all material respects.

- All reports and other technical documents provided by Norton correctly and accurately record the results of all geological and other technical activities and testwork conducted to date in relation to the project areas, and accurately record advice from any relevant technical experts.
- In assessing Norton's Mineral Resources, Snowden has relied on the information provided by Norton and has not undertaken independent audits of the data used to prepare the Mineral Resource estimates.
- All necessary governmental consents and approvals (including those regarding environmental issues) required to manage mineral production from the project areas have been obtained or will be forthcoming without any material delay and on terms which will not cause any material change to any mining, exploration or other activities proposed and will not cause any material change to the costs of such activities.
- All of the information provided by Norton pertaining to project areas or its history or future intentions, financial forecasting or the effect of relevant agreements is correct and accurate in all material respects.

In relation to the above qualifications, Snowden did not undertake any independent enquiries or audits to verify that the assumptions are correct and gives no representation that they are correct. Snowden has not carried out any type of audit of Norton's records to verify that all material documentation has been provided. Snowden has however endeavoured, by making reasonable enquiry of Norton to ensure that all material information in the possession of Norton has been fully disclosed to Snowden. Norton has agreed to indemnify Snowden from any liability arising from Snowden's reliance upon information provided or not provided to it.

Snowden has made the assumption that all data supplied by Norton to Snowden is accurate and not misleading. Snowden has reviewed the data on the assumption that it is accurate, in particular drilling results and production details that form the basis of Mineral Resources, Ore Reserves and Production forecasts.

Snowden has reviewed the important and relevant information in detail and is satisfied that the information is reliable, and the results are satisfactory and in accordance with standard industry practice. Snowden is satisfied that the information provided and relied upon in this report is complete and not misleading.

1.8 VALMIN Code 2005

This valuation has been prepared in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports ("VALMIN Code 2005"). Compliance with the Code is obligatory to all members of the Australasian Institute of Mining and Metallurgy ("AusIMM"), the Mineral Industry Consultants Association ("MICA") and the Australian Institute of Geoscientists ("AIG") who are involved in independent technical and valuation reports.

1.9 Responsibility

The Snowden person responsible for the final preparation of this report is Mr Terry Parker FAusIMM (CP) (Principal Consultant – Geologist, Mining Investment Governance). Mr Parker is a geologist with 44 years relevant experience in mining and exploration, geological and open pit mining roles. He has a Diploma in Surface Mining and an unrestricted Quarry Manager's Certificate (WA) allowing statutory supervision of large open cut mines, and has been a Mine Manager in WA. He has an MBA specialising in mineral economics and has the appropriate qualifications, expertise and experience to undertake this valuation, as required by the VALMIN Code 2005.

Mr Parker has been assisted by Mr Jeremy Peters, FAusIMM (CP) (Principal Consultant – Geology/Mining, Mining Investment Governance) and Mr Harald Muller, FAusIMM (Senior Principal Consultant, Metallurgy). Ms Lynn Olssen (General Manager, Applied Geosciences), Mr Frank Blanchfield (Divisional Manager – Mining) and Mr John Elkington (General Manager, Mining Investment Governance) undertook the peer review of the report to ensure it complies with the guidelines as laid down by both the VALMIN Code 2005 and The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code, 2012 edition").

1.10 Valuation Date

On the Announcement Date (13 January 2015), Norton announced to the ASX that it had received a non-binding indicative proposal from Zijin to acquire the remaining shares of Norton for A$0.20/share via scheme of arrangement, which is regarded as the Valuation Date. The opinions expressed and conclusions drawn with respect to this valuation are appropriate at the Valuation Date. The valuation is only valid for this date and may change with time in response to variations in economic, market, legal or political conditions in addition to ongoing exploration results.

1.11 Independence

At the date of the valuation, Mr Parker and Snowden had no association with Norton, or its individual employees, or any interest in the securities of Norton, which could be regarded as affecting the ability to give an independent unbiased valuation. Snowden will be paid a fee for its valuation based on a standard schedule of rates for professional services, plus any expenses incurred. The fee is not contingent on the results of the valuation.

1.12 Legal standing of mineral tenements

Snowden is not qualified to make legal representations in regard to the ownership and legal standing of the mineral tenements that are the subject of this valuation. Snowden has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, Native Title or potential environmental and land access restrictions. Snowden understands that the majority of the mineral tenements are not subject to native title as they were granted prior to the Native Title Act. A list of the tenements is presented in Section 8.

Norton requested Hetherington Exploration & Mining Title Services Pty Ltd ("HEMTS"), tenement consultants, to conduct a review of Norton's live and pending mineral tenements based on the Department of Mines and Petroleum's ("DMP") "Mineral Titles Online" register as at 31 March 2015. HEMTS advises that EL27/333 is subject to forfeiture (due to lack of exploration expenditure) and the submission against forfeiture is yet to be determined. In Snowden's opinion the forfeiture issue noted by HEMTS is not material to Snowden's valuation.

Snowden is satisfied that the tenements are generally in good standing as they were all "Live" or "pending" and therefore current as at the Announcement Date of 13 January 2015. Some of the tenements will have rehabilitation commitments but the liability of these is beyond the scope of this report. Some of the less important tenements have since expired or been surrendered by Norton due to low exploration potential or excessive expenditure commitments, but Snowden does not consider this to be material. Snowden believes on reasonable grounds that the information reviewed in relation to the tenements is reliable, complete and not misleading.

1.13 Joint venture agreements (Mount Morgan Project)

In April 2014 Norton entered into a farm-in agreement with Carbine, for Carbine to acquire 100% of the Mount Morgan and Many Peaks projects by staged payments to Norton. The first payment to Norton was A$100,000 on signing, with A$300,000 due in June 2015 if Carbine wish to proceed with researching and developing the project. A further payment of A$2 million is required to acquire the mining leases and the two projects. Carbine has agreed to pay Norton a capped A$12.5 million for 20% of the earnings before interest, tax, depreciation and amortisation ("EBITDA").

1.14 Snowden Mining Industry Consultants

Snowden is an independent firm providing specialist mining industry consultancy services in the fields of geology, exploration, resource estimation, mining engineering, geotechnical engineering, risk assessment, mining information technology and corporate services. The company, which operates from offices in Perth, Brisbane, Johannesburg (South Africa), Vancouver and Calgary (Canada), London (UK) and Belo Horizonte (Brazil), has prepared independent technical reviews and mineral asset valuations on a variety of mineral commodities in many countries for more than 25 years.

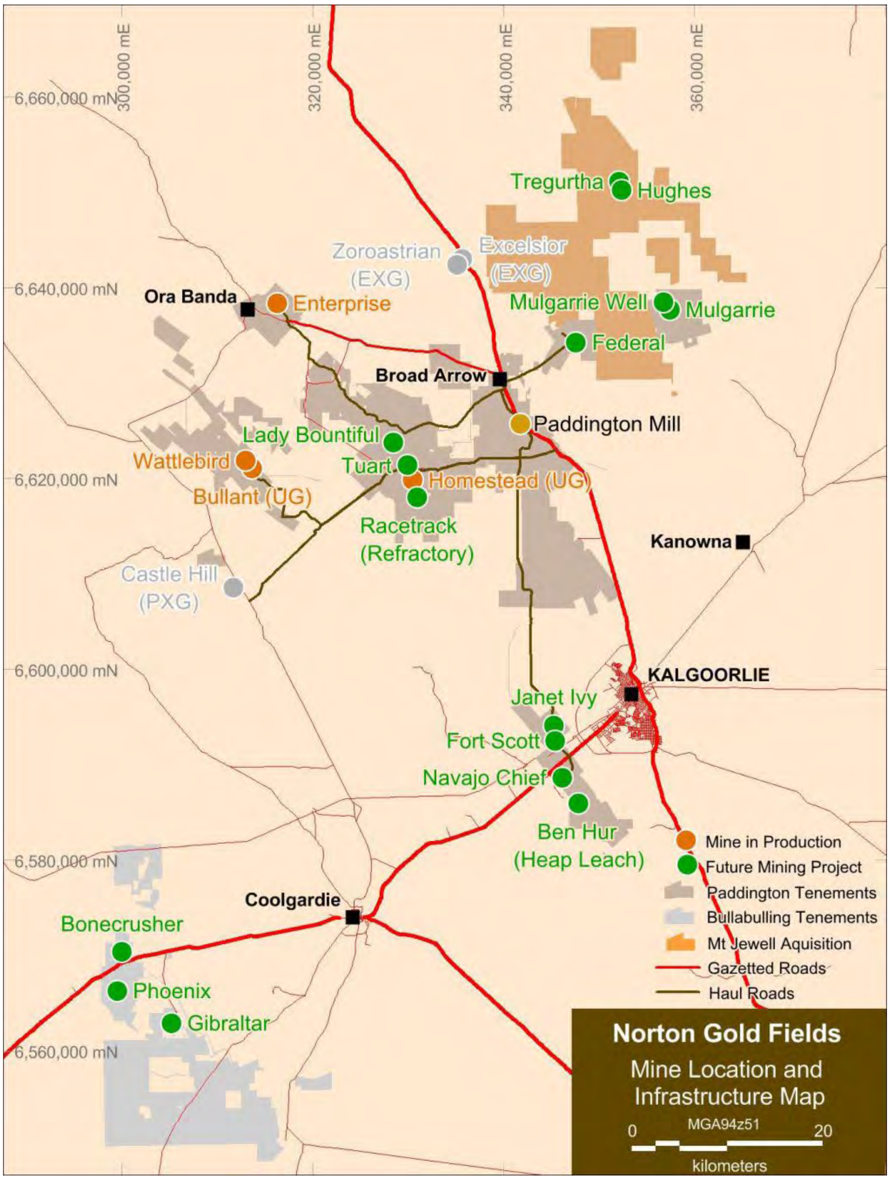
2 Paddington Gold Project

2.1 Location and access

Figure 2.1 is a current map (December 2014) showing Norton's tenement package, the current operating mines at Homestead, Bullant, Enterprise, and Wattlebird and the future mining projects. It also shows the tenements and prospects at Bullabulling and Mt Jewell acquired in 2014.

Access to the Paddington Gold Project is by road from Kalgoorlie by sealed highways (Menzies Highway and Great Eastern Highway) and well maintained all-weather dirt roads. Access to the Bullabulling Project is via the Great Eastern Highway from Perth to Coolgardie/Kalgoorlie and well maintained all-weather dirt roads.

Figure 2.1 Paddington Gold Project



Source: Norton Quarterly Report, December 2014

2.2 Climate

The region has a dry climate with hot summers and cool winters. The average annual rainfall is 260 mm on an average of 65 days and, while the average rainfall is fairly evenly distributed throughout the year, there is considerable variation from year to year. January is the hottest month with an average maximum temperature of 33.6°C, but temperatures above 40.0°C occur regularly in the summer. Winters are cool with July average maximum and minimum temperatures being 16.5°C and 4.8°C respectively.

2.3 Topography and vegetation

The local topography is flat, with a gently undulating landscape in the north of the area. The landscape is made up of complex landforms which include plains, peneplains, salt flats and low hills. The area has been extensively mined in the past, predominantly by open pits, and contains extensive low waste dumps.

The vegetation consists of eucalypt woodland consisting largely of salmon gums and low scrubland.

2.4 Company history

In September 2005, Norton listed on the ASX with a portfolio of copper and gold projects in central Queensland, including the Norton Gold Mine.

In 2007, the company acquired the Mount Morgan gold tailings project in central Queensland and the Paddington Gold Mine near Kalgoorlie in WA from Barrick Gold Corporation. In 2008 Norton acquired Bellamel Mining Limited in the Kalgoorlie district.

2009 marked the official opening of the Company’s first underground mine at Homestead, believed to be Norton’s most prospective mineral endowment at the Mt Pleasant Camp, and is of strategic importance to Paddington as a high-grade ore source to augment the larger scale open cut mining operations. Homestead has proven to be a significant success story, as mining depletion of the high-grade ore continues to be replaced through exploration and discovery of new, high-grade mineralised zones.

In 2010, Norton sold the Sienna and Electra Project coal tenements in central Queensland to enable Norton to focus on the gold opportunities near Kalgoorlie.

In August 2012, Norton's major shareholder, and China’s largest gold producer, Zijin increased its stake in Norton to 89% following a recommended takeover offer to shareholders. With the financial and technical backing of Zijin as a supportive major shareholder, the company is in its best position yet to realise the full potential of the Paddington operations.

In April 2013, Norton acquired neighbouring Kalgoorlie Mining Company Limited (“KMC”) in a friendly off-market takeover, whose key asset is the Bullant Gold Project just 28 km west of the Paddington Mill. In May 2013, the new base-load Enterprise Mine was officially opened to supply the bulk of ore to the Paddington Mill and contribute greater than 100,000 oz pa to Norton’s gold production. In November 2013, Norton sold the Norton Gold Mine in Queensland to Mantle Mining Corporation Ltd.

In April 2014, Norton signed a farm-in agreement with Carbine to develop the Mount Morgan and Many Peaks projects in Queensland. In late 2014, Norton acquired the Bullabulling Gold Project in a takeover of Bullabulling Gold Limited, and continues to develop Bullabulling. Norton also purchased the Mt Jewell Project northeast of Norton’s Paddington operations.

In December 2014, prior to the Announcement Date (Valuation Date) Norton acquired 10.77% of Phoenix Gold Limited ("Phoenix") which owns the Castle Hill low-grade gold deposit located on the Kunanalling Shear 50 km northwest of Kalgoorlie estimated at 81 Mt at 0.94 g/t Au for 2,460,000 oz,. In August 2014, Norton exercised its option to enter into a mine and treat ore agreement for the Mick Adams/Wadi Project. Under the Option for License to Mine and Ore Sale Agreement, (the formal agreement for which is yet to be executed) Norton funds the upfront capital, mines and buys the ore from the Mick Adams/Wadi Project (excluding heap leach material) and treats it at the Paddington mill. As the project becomes cash positive, Phoenix and Norton share the resultant cash surplus 50:50. Norton currently owns 9.9% of Phoenix.

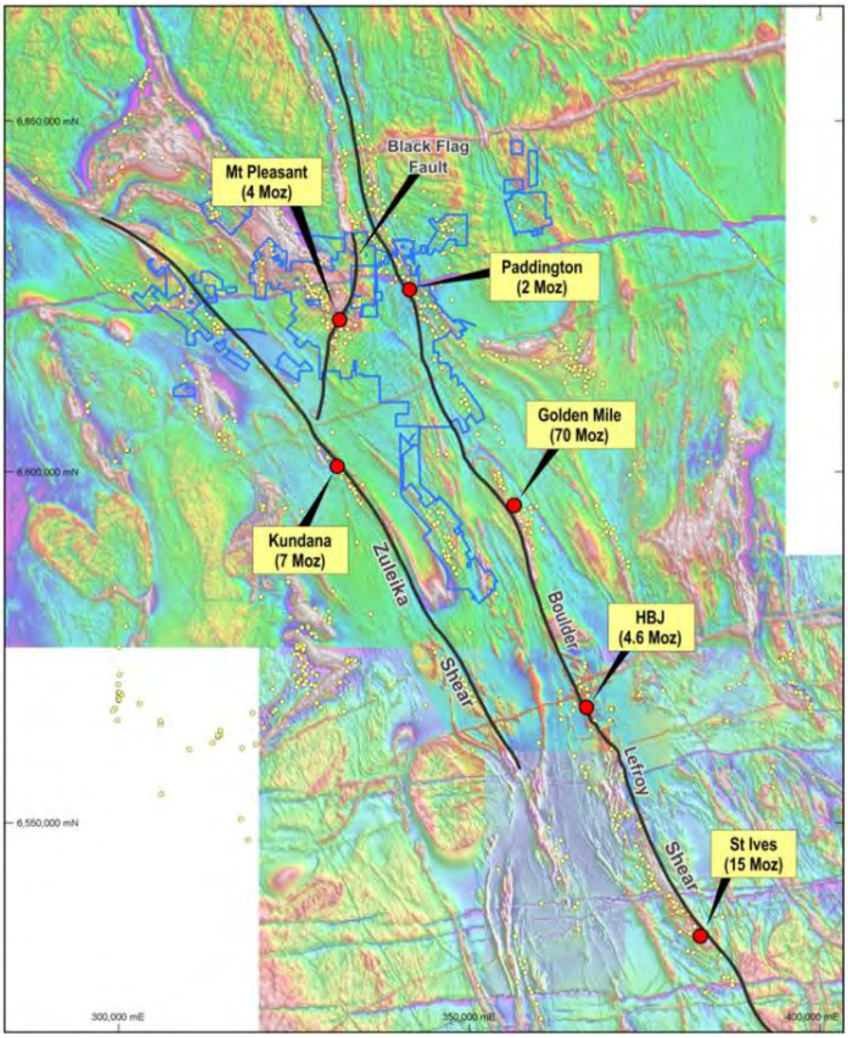
The Mineral Resources for Castle Hill were subsequently upgraded by Phoenix after the Announcement Date and Phoenix announced the results to the ASX on 14 and 19 January 2015. The Mick Adams/Wadi Project is reported to contain total Mineral Resources of 24.48 Mt at 1.5 g/t Au for a total of 1,168,000 ounces.

2.5 Geology

The geology of the Kalgoorlie region consists of Archaean greenschist facies mafic to ultramafic volcanics and intrusives with later intermediate to felsic volcanics, volcaniclastics and sediments. Gold mineralisation occurs in a number of different settings which typically include the interaction of structural pathways with stratigraphically and rheologically reactive host rocks. Ore bearing alteration assemblages typically comprise ankerite-sericite-albite-silica-biotite-pyrite-pyrrhotite.

Figure 2.2 is an aeromagnetic map of the Paddington region showing the major shear zones and faults associated with large gold deposits.

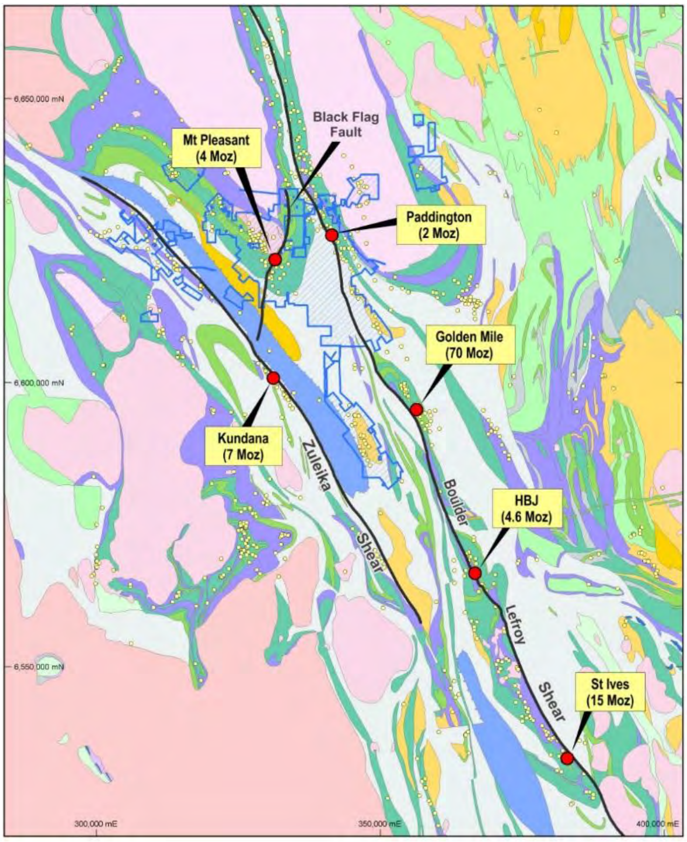
Figure 2.2 Paddington gold region aeromagnetic map



Source: Norton

Figure 2.3 is a geological map of the Kalgoorlie region showing the important Zuleika Shear and Black Flag Fault near Mt Pleasant.

Figure 2.3 Paddington gold region geology



Source: Norton

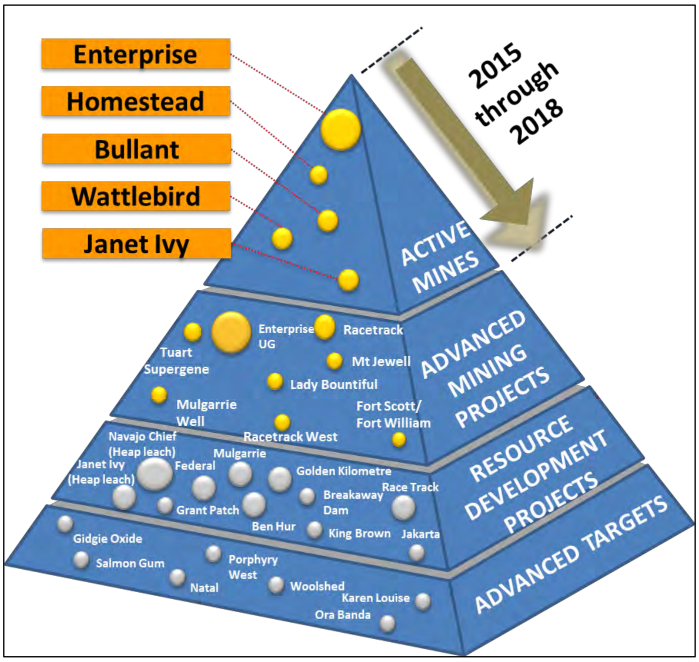
2.6 Project timeline

Figure 2.4 shows a diagram of the Paddington Gold Project (excluding Bullabulling) development timeline. It includes existing open cut and underground mines, advanced mining projects, resource development projects and advanced targets. In addition, there are many exploration targets including unclassified resources and gold anomalous areas that require further investigation, particularly at the current high gold price. The Enterprise open pit is currently the major base load mine for the Paddington Mill.

The resource definition work is guided by the company's strategic project pipeline, which is planned to deliver on the following balanced combination of ore feed to the Paddington Mill:

- Large base-load open pit deposits to supply the bulk of ore feed (Enterprise)
- High grade underground ore (e.g. Homestead and Bullant)
- Relatively higher grade ores from small open cut mining projects (Wattlebird).

Figure 2.4 Paddington Gold Project – project timeline (2015 to 2018)



Source: Norton presentation

2.7 Ore Reserves

Table 2.1 shows the five primary mining projects and Ore Reserves at the Paddington operation for 2015, as at December 2014:

Table 2.1 Primary mining projects and Ore Reserves at the Paddington operation (2015)

Mine	Total Ore Reserves Mt	g/t Au	Ounces gold
Enterprise open cut	4.84	2.00	312,000
Enterprise underground	1.63	3.10	162,000
Federal open cut	1.86	1.72	103,000
Bullant underground	0.43	3.38	46,000
Homestead underground	0.22	6.54	47,000
Total	**8.98**	**2.32**	**670,000**

Source: Norton Resource Reserve Update YE2014

Table 2.2 shows the Paddington Gold Project Ore Reserves for open cut, underground, stockpiles and gold in circuit (“GIC”) as at 31 December 2014.

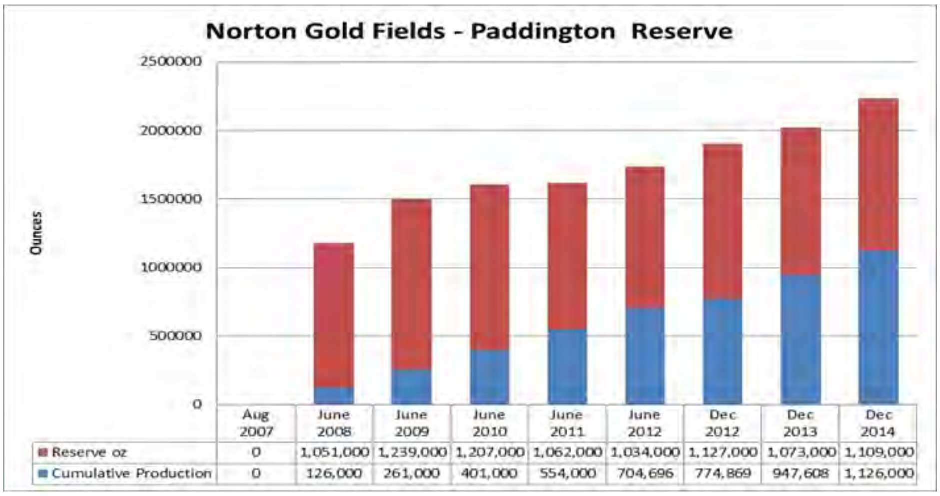
Table 2.2 Paddington Operation Ore Reserves (31 December 2014)

	Proved Reserve			Probable Reserve			Total Reserve		
	Mt	g/t Au	Ounces Au	Mt	g/t Au	Ounces Au	Mt	g/t Au	Ounces Au
Open cut									
Federal	-	-	-	1.86	1.72	102,686	1.86	1.72	102,686
Enterprise	-	-	-	4.84	2.00	311,841	4.84	2.00	311,841
Mulgarrie	-	-	-	0.82	2.23	58,599	0.82	2.23	58,599
Janet Ivy	-	-	-	2.39	1.11	85,291	2.39	1.11	85,291
Fort Scott	-	-	-	0.27	1.36	11,992	0.27	1.36	11,992
Wattle Bird	0.05	1.19	1,840	0.34	1.62	17,904	0.39	1.57	19,744
Lady Bountiful	-	-	-	0.82	1.73	45,462	0.82	1.73	45,462
Tuart	-	-	-	1.72	1.67	92,273	1.72	1.67	92,273
Mulgarrie Well	-	-	-	0.18	1.56	8,879	0.18	1.56	8,879
Hughes	-	-	-	0.67	1.19	25,833	0.67	1.19	25,833
Tregurtha	-	-	-	0.50	1.68	27,265	0.50	1.68	27,265
Woolshed S Ext	-	-	-	0.30	1.61	15,745	0.30	1.61	15,745
Total open cut	**0.05**	**1.19**	**1,840**	**14.72**	**1.70**	**803,768**	**14.77**	**1.70**	**805,608**
Underground									
Homestead	0.16	6.35	32,061	0.06	7.02	14,531	0.22	6.54	46,591
Bullant	0.07	3.23	6,966	0.36	3.41	39,455	0.43	3.38	46,421
Enterprise	-	-	-	1.63	3.10	162,311	1.63	3.10	162,311
Total underground	**0.23**	**5.42**	**39,027**	**2.05**	**3.28**	**216,297**	**8.98**	**2.32**	**255,324**
Stockpiles	1.40	0.91	41,457	0.08	1.21	3,148	1.48	0.94	44,604
Inventory GIC	-	-	-	-	-	-	-	-	3,339
TOTAL	**1.67**	**1.53**	**82,324**	**16.86**	**1.89**	**1,023,213**	**18.53**	**1.86**	**1,108,876**

Source: Norton Resource Reserve Update YE2014

Figure 2.5 shows the gold production and Ore Reserves at Paddington from 2008 to 2014. It shows that the Ore Reserves have been maintained at about one million ounces, despite annual production above 140,000 ounces.

Figure 2.5 Norton – Paddington Reserve



2.8 Mineral Resources

2.8.1 Consolidated Norton Mineral Resources

Table 2.3 shows the Norton Consolidated Mineral Resource as at 31 December 2014, classified according to the JORC Code (2012 edition) guidelines.

Table 2.3 Norton – Consolidated Mineral Resource as at 31 December 2014

	Measured			Indicated			Inferred			Total		
	Mt	g/t Au	Koz	Mt	g/t Au	Koz	Mt	g/t Au	Koz	Mt	g/t Au	Koz
Paddington	2.32	1.80	135	69.64	1.43	3,191	76.39	1.50	3,678	148.35	1.47	7,004
Mt Jewell	-	-	-	3.11	1.32	132	0.04	1.37	2	3.15	1.32	134
Bullabulling	-	-	-	68.57	0.99	2,185	26.79	1.19	1,029	95.37	1.05	3,214
Total	**2.32**	**1.80**	**135**	**141.33**	**1.21**	**5,509**	**103.22**	**1.42**	**4,708**	**246.87**	**1.30**	**10,352**

Source: Norton Resource Reserve Update YE2014. Inconsistencies are due to rounding. Koz = 1.000 ounces

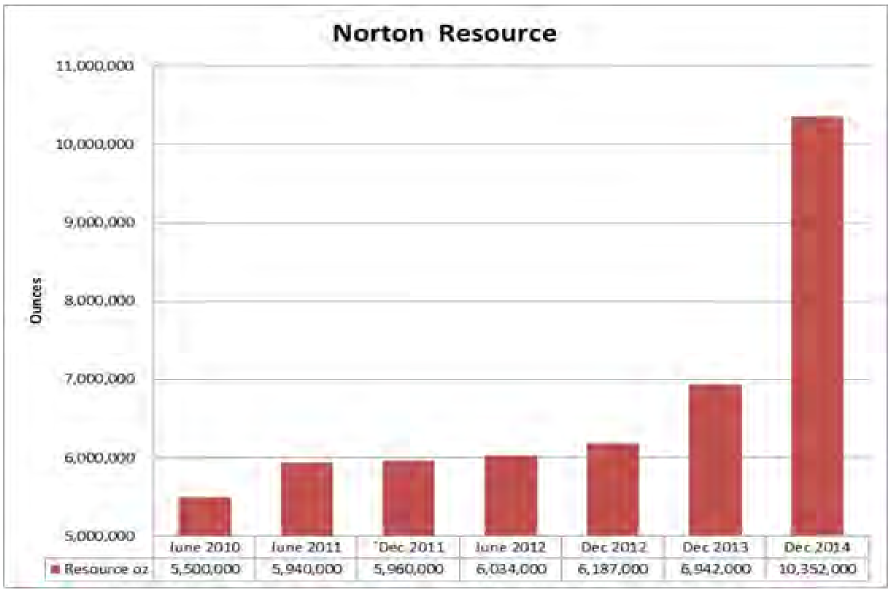
Total Measured, Indicated and Inferred Mineral Resources for Norton as at 31 December 2014 comprise: 247 Mt at 1.30 g/t Au, containing 10.35 Moz, representing a 49% increase of 3.41 Moz on the 6.94 Moz Mineral Resource estimate at 31 December 2013.

The resource increase includes acquisitions completed during 2014, namely:

- 95 Mt at 1.05 g/t Au (3.21 Moz) from the Bullabulling Project
- 3.15 Mt at 1.32 g/t Au (134 Koz) from the Mt Jewell Project.

Figure 2.6 shows the increases in Mineral Resources from 2010 to 2014.

Figure 2.6 Norton Mineral Resource growth



Source: Norton

2.8.2 Paddington Gold Mineral Resources

Table 2.4 shows the Paddington Gold Project Mineral Resources (31 December 2014), with 7.00 Moz gold in seven project areas, excluding Mt Jewell.

Table 2.4 Paddington Gold Project, Mineral Resources (31 December 2014)

Project area	Deposit	Measured			Indicated			Inferred			Total		
		Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz
Golden Cities	Havana	-	-	-	3.82	1.62	199	0.15	1.63	8	3.97	1.62	207
	Federal open cut	-	-	-	3.77	1.85	225	0.88	2.96	84	4.65	2.06	309
	Federal underground	-	-	-	-	-	-	0.20	5.36	35	0.20	5.36	35
	Jakarta	-	-	-	1.77	1.15	65	0.42	1.02	14	2.19	1.13	79
Mulgarrie	Mulgarrie	-	-	-	1.27	2.19	89	1.39	2.21	99	2.65	2.20	188
	Mulgarrie Well	-	-	-	0.16	1.68	9	0.31	1.36	14	0.47	1.47	22
Ora Banda	Enterprise open cut	-	-	-	6.68	1.79	385	2.50	1.30	104	9.19	1.66	490
	Enterprise underground	-	-	-	3.16	2.94	298	1.10	2.57	91	4.25	2.84	389
	Enterprise west	-	-	-	0.07	0.87	2	1.11	1.15	41	1.18	1.13	43
	North Sandalwood	-	-	-	-	-	-	1.64	1.24	65	1.64	1.24	65
	Sleeping Beauty	-	-	-	-	-	-	0.62	1.36	27	0.62	1.36	27
	Tom Allen	-	-	-	-	-	-	0.91	1.70	50	0.91	1.70	50
Mt Pleasant	Mt Pleasant	-	-	-	0.67	2	43	1.45	2.11	98	2.12	2.08	141
	Racetrack open cut	-	-	-	4.26	1.88	257	6.08	2.19	428	10.34	2.06	685
	Racetrack underground	-	-	-	-	-	-	0.26	6.21	51	0.26	6.21	51
	Royal Standard North	-	-	-	-	-	-	0.30	1.43	14	0.30	1.43	14
	Green Gum	-	-	-	0.11	2.43	9	0.19	1.80	11	0.30	2.03	20
	Blue Gum	-	-	-	0.12	1.77	7	0.24	1.42	11	0.36	1.53	18
	Homestead underground	0.11	19.1	66	0.09	14.1	42	0.14	13.10	60	0.34	15.30	169
	Golden Kilometre	-	-	-	-	-	-	0.76	4.17	102	0.76	4.17	102
	Quarters 040	-	-	-	0.11	2.31	8	0.05	1.30	2	0.16	2.00	10
	Tuart open cut	-	-	-	3.44	1.66	184	1.11	2.04	73	4.55	1.75	256
	Tuart underground	-	-	-	0.12	7.19	28	0.79	6.27	159	0.91	6.39	187
	Marlock	-	-	-	0.08	1.65	4	1.04	2.07	69	1.12	2.04	74
	Natal	-	-	-	-	-	-	0.38	2.46	30	0.38	2.46	30
	Golden Flag	-	-	-	0.06	1.21	2	0.13	1.77	7	0.19	1.60	10
	Black Flag open cut	-	-	-	0.05	1.4	2	0.11	2.60	9	0.17	2.21	12
	Black Flag underground	-	-	-	-	-	-	0.04	8.75	10	0.04	8.75	10
	Rose Dam South	-	-	-	-	-	-	0.54	1.22	21	0.54	1.22	21
	Rose	-	-	-	0.39	1.26	16	0.50	1.13	18	0.89	1.19	34

Project area	Deposit	Measured			Indicated			Inferred			Total		
		Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz
Lady Bountiful	Lady Bountiful	-	-	-	1.84	1.75	104	0.13	2.15	9	1.98	1.78	113
	Lady Bountiful Extended	-	-	-	-	-	-	4.25	1.72	235	4.25	1.72	235
	Liberty West	-	-	-	-	-	-	0.54	1.94	34	0.54	1.94	34
Binduli	Janet Ivy	-	-	-	8.36	0.87	234	5.25	0.92	155	13.61	0.89	389
	Navajo Chief	-	-	-	23.51	0.8	608	5.84	0.86	161	29.35	0.81	769
	Fort William	-	-	-	0.23	2.2	16	1.78	1.26	72	2.00	1.37	88
	Fort Scott	-	-	-	0.46	1.36	20	0.07	1.14	3	0.53	1.33	23
	Apache	-	-	-	-	-	-	0.63	1.67	34	0.63	1.67	34
	Ben Hur (1, 2, 3)	-	-	-	-	-	-	27.35	0.93	814	27.35	0.93	814
	Neferti	-	-	-	-	-	-	0.86	0.92	25	0.86	0.92	25
	Pitman South	-	-	-	-	-	-	0.10	2.20	7	0.10	2.20	7
	Walsh	-	-	-	-	-	-	0.22	1.69	12	0.22	1.69	12
	Walsh North	-	-	-	-	-	-	0.20	1.85	12	0.20	1.85	12
Carbine	Bullant underground	0.09	6.01	17	1.05	5.39	181	1.20	5.32	205	2.33	5.38	403
	Wattlebird	-	-	-	1.97	1.38	87	0.03	1.47	1	2.00	1.38	88
	Matt's Dam	-	-	-	-	-	-	0.34	1.54	17	0.34	1.54	17
	Matt's Dam South	-	-	-	-	-	-	0.66	1.30	28	0.66	1.30	28
	Porphyry	-	-	-	1.66	1.09	58	0.68	1.25	27	2.34	1.14	85
	Stockpiles (31/12/2014)	2.12	0.75	51	0.37	0.67	8	0.93	0.66	20	3.43	0.72	79
TOTAL		**2.32**	**1.8**	**135**	**69.64**	**1.43**	**3,191**	**76.39**	**1.50**	**3,678**	**148.35**	**1.47**	**7,004**

Source: Norton Resource Reserve Update YE2014. Inconsistencies are due to rounding

2.8.3 Mt Jewell Mineral Resources

Table 2.5 shows the Mt Jewell Mineral Resource Statement (31 December 2014), with 0.13 Moz gold.

Table 2.5 Mt Jewell Mineral Resource Statement (31 December 2014)

Deposit	Measured			Indicated			Inferred			Total		
	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz
Hughes	-	-	-	1.90	1.16	71	0.01	0.89	1	1.91	1.16	71
Tregurtha	-	-	-	1.21	1.58	62	0.03	1.43	1	1.24	1.58	63
Total	**-**	**-**	**-**	**3.11**	**1.32**	**132**	**0.04**	**1.37**	**2**	**3.15**	**1.32**	**134**

Source: Norton Resource Reserve Update YE2014. Inconsistencies are due to rounding

2.8.4 Bullabulling Mineral Resources

Table 2.6 shows the Bullabulling Mineral Resource Statement (31 December 2014), with 3.21 Moz gold.

Table 2.6 Bullabulling Mineral Resource Statement (31 December 2014)

Deposit	Measured			Indicated			Inferred			Total		
	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz
Bullabulling trend	-	-	-	68.57	0.99	2,185	23.08	1.20	893	91.65	1.04	3,079
Gibraltar	-	-	-	-	-	-	3.72	1.13	136	3.72	1.13	136
Total	**-**	**-**	**-**	**68.57**	**0.99**	**2,185**	**26.79**	**1.19**	**1,029**	**95.37**	**1.05**	**3,214**

Source: Norton Resource Reserve Update YE2014. Inconsistencies are due to rounding

2.9 Resource and Reserve updates

Mineral Resource and Ore Reserve status changes as at December 2014 are due to a combination of:

- Addition from acquisition.
- Mineral resource update and accompanying change or addition of Ore Reserve.
- Re-definition of open cut and underground reporting areas at Enterprise. An Enterprise underground reserve was introduced in favour of a Stage 4 open pit cutback.
- Ore Reserve modification due to lower gold price at all projects.
- Depletion from mining.
- Change in reporting area allocation (e.g. some parts of the Racetrack Mineral Resources were previously reported under the 'Mt Pleasant' umbrella).
- Resource depletion due to consideration of economic factors.

2.9.1 Resource development and exploration (December 2014 quarter)

Table 2.7 is a summary of resource development and exploration work programs for the December 2014 quarter, showing the concentration of exploration at the Mt Pleasant Project, in particular the refractory Racetrack deposit.

Table 2.7 Summary of resource development and exploration work programs (December 2014 quarter)

Project		Activity	Project description
Mount Pleasant Project: Homestead underground	Black Flag West Deeps	Four underground diamond drillholes for 1.407.3 m	Resource extension
	Henning Lode	14 underground diamond drillholes for 1,424.3 m	Resource definition and extension
Mount Pleasant Project:	Racetrack Prospect	Four surface diamond drillholes and 14 diamond tails for 2,804.2 m of core	Resource definition and extension
	Racetrack West Prospect	103 reverse circulation ("RC") drillholes for 9,715 m	
	Tuart T060 HW Prospect	Four surface diamond drillholes for 1,494.4 m	
	Tuart Q040 Prospect	Two RC drillholes for 474 m	
Carbine-Bullant Project:	Bullant Underground – Main Lode	32 underground diamond drillholes for 5,475.9 m	Resource definition and extension
Mulgarrie Project:	Mulgarrie Well Prospect	22 RC drillholes for 1,896 m	Resource definition and extension
Total		**185 drillholes for 24,691.1 m**	

Source: Norton

2.9.2 Mineral Resource modelling parameters

Mineral Resource models have been compiled using a number of modelling and estimation methodologies including Multiple Indicator Kriging ("MIK"), Ordinary Kriging ("OK") and Inverse Distance Squared ("ID2"). Methodologies have been selected to best suit mineralisation styles which range from high grade narrow veins through to broad pervasive alteration or stockwork mineralised zones. In most cases validation models have been completed using alternate modelling techniques. Statistical analysis and variography of mineralised composites are utilised to control the estimation process. Estimation top-cut grades are based on statistical analysis of the relevant mineralisation domains. Lower reporting cut-off grades are based on breakeven cut-off grades in similar deposits which have been mined by the Paddington operation.

Drilling data utilised in Mineral Resource models includes a combination of RC, surface diamond core, underground diamond core, and underground development face sampling. All sample analyses have been conducted at reputable analytical laboratories and data has been validated and subjected to internal quality control processes.

Drill spacing generally reflects the level of mineralisation continuity. As a guide, well defined mineralised areas with a nominal drill spacing of 20 m x 20 m qualify as Indicated classification status, with broader spaced drilling for Inferred classification status. Measured classification is applied to grade control drilled or underground developed mineralisation material.

Applied bulk densities are derived from measurements on diamond core or rock samples, and validated by comparison with similar lithological ore types from elsewhere within the project area (the Paddington operation has been active since 1984 and has exploited a broad range of ore types in that period). Bulk density is coded by weathering type in each deposit to reflect oxide, transitional and primary ore characteristics.

Geological models are developed and continuously updated utilising feedback from mining and milling operations. Details of all Mineral Resource models are documented in the JORC 2012 'Table 1' documentation. Snowden has reviewed Table 1 and considers that it conforms to standard industry practice. A Mineral Resource parameter summary is shown below in Table 2.8.

Table 2.8 Mineral Resource parameter summary (December 2014)

Project area	Deposit	Modelling methodology	Lower cut-off grade	Top cut
Golden Cities	Havana	OK	0.7	15
	Federal open cut	OK	0.7	20 and 60
	Federal underground	OK	3.0	60
	Jakarta	MIK	0.6	NA
Mulgarrie	Mulgarrie	MIK	0.7	NA
	Mulgarrie Well	MIK	0.7	NA
Ora Banda	Enterprise open cut	MIK	0.7	NA
	Enterprise underground	OK	1.5	Nil
	Enterprise west	OK	0.7	10
	North Sandalwood	OK	0.7	Nil to 12.5
	Sleeping Beauty	OK	0.7	6 to 15
	Tom Allen	OK	0.7	8 and 10
Mt Pleasant	Mt Pleasant	OK	1.0	10 to 70
	Racetrack open cut	OK	0.8	Various
	Racetrack underground	OK	3.0	Various
	Royal Standard North	ID2	0.8	8
	Green Gum	OK	0.7	20
	Blue Gum	OK	0.7	17
	Homestead underground	OK+ID2	3.5	Nil and 50 to 200
	Golden Kilometre	OK	0.0	40
	Quarters 040	OK	0.7	17
	Tuart open cut	OK	0.7	Nil, 10, 30 and 37
	Tuart underground	OK	3.0	28, 30 and 40
	Marlock	OK	0.7	10 and 25
	Natal	OK	0.8	25 and 60
	Golden Flag	OK	0.7	10 and 20
	Black Flag open cut	OK	0.7	5, 15 and 20
	Black Flag underground	ID2	3.0	Nil and 30
	Rose Dam South	OK	0.7	Nil
	Rose	OK	0.7	12

Project area	Deposit	Modelling methodology	Lower cut-off grade	Top cut
Lady Bountiful	Lady Bountiful	ID3	0.7	30
	Lady Bountiful Extended	OK	0.8	10 to 100, mostly 20 to 30
	Liberty West	OK	0.8	8.4 to 11.8
Binduli	Janet Ivy	MIK	0.5	NA
	Navajo Chief	MIK	0.6	NA
	Fort William	OK	0.6	10
	Fort Scott	OK	0.7	6 to 9
	Apache	XS polygonal	1.0	7
	Ben Hur (1, 2, 3)	MIK	0.5	NA
	Neferti	OK	0.5	NA
	Pitman South	XS polygonal	1.0	10
	Walsh	XS polygonal	1.0	7
	Walsh North	XS polygonal	1.0	7
Carbine	Bullant underground	OK	3.0	Various 20 to 50
	Wattlebird	MIK	0.7	NA
	Matt's Dam	ID2	0.7	6 to 8
	Matt's Dam South	ID2	0.7	15 to 22
	Porphyry	OK	0.8	5.5
Mt Jewell	Hughes	ID3	0.7	12
	Tregurtha	OK	0.7	5, 15 and 20
Bullabulling	Bullabulling Trend	MIK and OK	0.5	Various
	Gibraltar	MIK and OK	0.5	Various

Source: Norton Resource Reserve Update YE2014

Resource modelling has been undertaken by Norton staff and independent consultants, depending on the complexity of the resource. Snowden considers that the Resource estimation has been undertaken to normal industry standard. The lower grade cut-offs for open cut and underground resources are considered reasonable.

2.9.3 Open cut Resource to Reserve conversion

Open cut Mineral Resources are constrained within a Whittle shell based on the realistic current gold price (currently A$1,400). Measured and Indicated Resources within this pit shell are converted to Proved and Probable Ore Reserves with appropriate modifying factors (ore loss and dilution). Additional open cut Mineral Resources are constrained within a Whittle shell based on a Whittle pit shell of A$2,000 or A$2,100/ounce, considered to be the highest gold price in the short to medium term. Mineralisation outside of this envelope (usually at depth) is not considered an open cut Mineral Resource and are considered to be Unclassified as they have no reasonable means of extraction. Snowden considers this to be appropriate, even though it reduces the total Resources. The Mineral Resources excluded from the A$1,400 pit shell but included in the A$2,000 to A$2,100 pit shells can be considered to be remnant resources, and as such have less value per ounce.

The open pit Resource to Reserve conversion varies from 25% to 50% from pit to pit, which is due to the lower gold price which is currently about A$1,450/ounce.

2.9.4 Ore Reserve parameters

Open pit and underground Ore Reserves are generated from optimisation and design studies utilising appropriate mining methodology, geological/geotechnical characteristics, equipment selection, and mining, haulage, processing and administration costs. Metallurgical recovery of ores is documented from testwork or from previous treatment of similar geological ore types.

Open pit evaluation is generally based on Whittle optimisation, mine design, scheduling and financial analysis. Underground evaluation is based on mine access, ore development, stope design, scheduling and financial analysis. Estimates of mining dilution and ore loss are guided by previous operating experience. Gold price is adjusted to reflect the spot price at the time.

Open cut

Two different-sized open cut mining fleets are utilised. The Bulk fleet comprises a Hitachi 3600 excavator and Caterpillar 789D dump trucks. Selective fleets comprise two Hitachi 1200 excavators and Caterpillar 777F dump trucks. Mining is conducted using conventional open cut drill and blast. Mining dilution in most deposits is estimated at 10%, and mining recovery is 95%.

Underground

The underground load and haul fleet comprises Caterpillar R1700 loaders, Caterpillar R1300 loader and Caterpillar AD45B haul trucks. Mining includes jumbo development, longhole open stoping and minor airleg stoping. Stoping is followed by cemented rock backfill of the stoping void. Level interval is 15 m to 25 m. Ore drives are planned at 3.3 m wide x 4.0 m high or 4.0 m wide x 4.5 m high, depending on area. Minimum mining width is 2 m. Stoping dilution is estimated at 50% to 100% dependent on the mining method. Ore loss is estimated at 5%.

Details of Ore Reserve estimation are documented in a JORC 2012 compliant ‘Table 1’ list. Snowden has reviewed Table 1 and considers that it conforms to standard industry practice.

An Ore Reserve parameter summary as at 31 December 2014 is shown below in Table 2.9.

Table 2.9 Ore Reserve parameter summary (December 2014)

Deposit	Mining method	Status	Mining study	Gold price A$	Mining dilution	Mining ore loss	Process recovery	Cut-off grade (g/t Au)
Federal	Open pit	Planned	Optimisation and design	1,400	10%	5%	94%	0.75
Enterprise	Open pit	Active	Optimisation and design	1,400	0%	0%	83% to 94%	0.7 to 0.8
Mulgarrie	Open pit	Planned	Optimisation and design	1,400	0%	0%	94%	0.70
Janet Ivy	Open pit	Planned	Optimisation and design	1,400	0%	0%	94%	0.70
Fort Scott	Open pit	Planned	Optimisation and design	1,400	10%	5%	94%	0.75
Wattle Bird	Open pit	Active	Optimisation and design	1,400	0%	0%	94%	0.70

Deposit	Mining method	Status	Mining study	Gold price A$	Mining dilution	Mining ore loss	Process recovery	Cut-off grade (g/t Au)
Lady Bountiful	Open pit	Planned	Optimisation and design	1,400	10%	5%	94%	0.65
Tuart	Open pit	Planned	Optimisation and design	1,400	5%	5%	94%	0.70
Mulgarrie Well	Open pit	Planned	Optimisation and design	1,400	0%	0%	93%	0.6
Hughes	Open pit	Planned	Optimisation and design	1,400	10%	5%	94%	0.75
Tregurtha	Open pit	Planned	Optimisation and design	1,400	10%	5%	94%	0.75
Woolshed Sth Ext	Open pit	Planned	Optimisation and design	1,400	10%	5%	94%	0.70
Homestead underground	Underground	Active	Mine design	1,400	12%-53%	5%	94%	3.29
Bullant underground	Underground	Active	Mine design	1,400	27%-40%	5%	94%	3.29
Enterprise	Underground	Planned	Mine design	1,400	10%	5%	83%	2.12

Source: Norton Resource Reserve Update YE2014.

Snowden considers that the mining dilution of 10% and ore loss of 5% for most of the open cut Reserves is realistic. The ore reserves based on mining dilution of 0% and ore loss of 0% are based on “recoverable” resource models, usually using Multiple Indicator Kriging (“MIK”), which include dilution and ore loss factors and therefore do not include modifying factors, commonly reported for JORC Ore Reserves. The mining dilution and ore loss for the underground Reserves at Homestead and Bullant are considered reasonable. The mining dilution and ore loss for the underground Reserves at Enterprise may be on the low side. However, the gold price of A$1,400/oz is considered conservative as at 31 December, when the gold price was approximately A$1,500/oz, which counterbalances any possible over-estimation of the ore reserves. In general, Snowden is satisfied that the ore reserves are based on reasonable parameters and are realistic.

3 Paddington project areas

3.1 Current operations

Norton's Paddington Gold Project tenements cover an area of 1,091 km^2 within the Kalgoorlie goldfields region, including the recent Mt Jewell acquisition comprising 325 km^2. Paddington projects currently contain a Measured, Indicated and Inferred Mineral Resource inventory of 7.00 Moz of gold, and 0.134 Moz of gold at Mt Jewell as at 30 December 2014. The Proven and Probable Ore Reserve of the Paddington Projects including Mt Jewell, stockpiles and GIC are estimated at 1.11 Moz of gold (as at 30 December 2014).

Open cut ore mining is in progress at the Enterprise Deposit (Ora Banda Project) where the bulk of mill feed ore is being sourced, supplemented by the small Wattlebird open cut mine, and by ore stockpiles from previously mined satellite open cut operations. Underground mining is in progress at the Homestead Underground Mine (Mt Pleasant Project), which includes the Black Flag West Vein, and at the Bullant Underground Mine (Carbine-Bullant Project).

3.2 Golden Cities

3.2.1 Federal open cut and underground

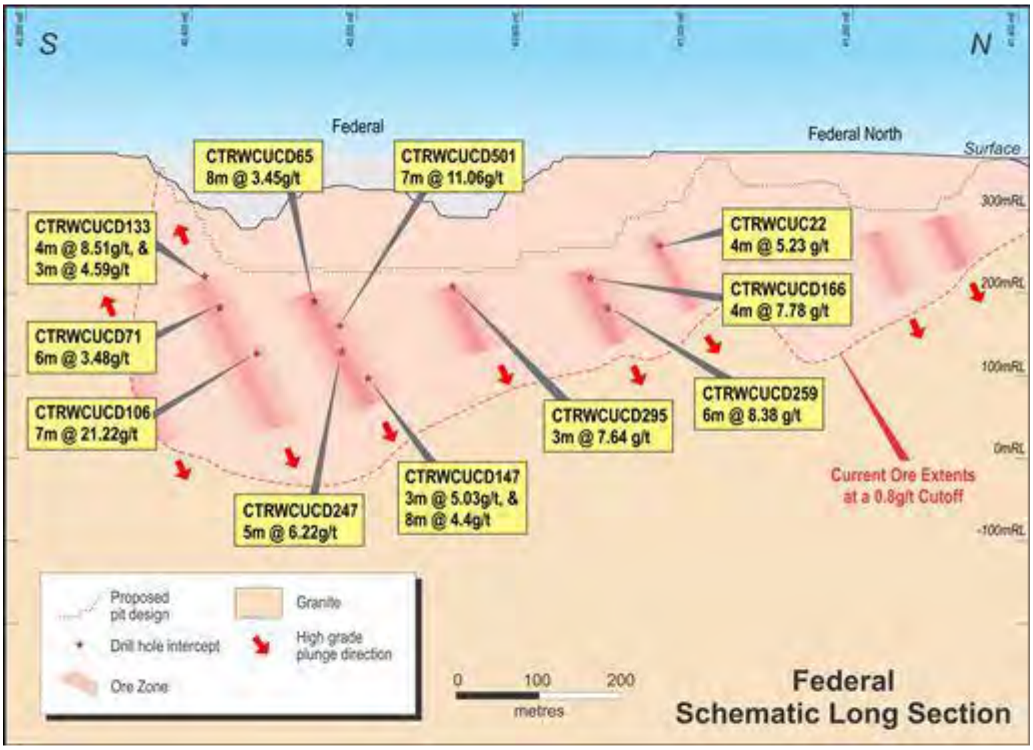
The Federal deposit is located 12 km northeast of the Paddington Mill, situated within the Golden Cities camp area which includes the previously mined Havana deposit.

Mineralisation is hosted by granitoid lithologies and is controlled by a northwest trending fault zone. Gold mineralisation is associated with pyritic vein quartz, with vein density the dominant control on gold grade. Several plunging high-grade lodes within the broader lower grade mineralised envelope are interpreted, and future work will review the potential to extend these lodes.

Federal has an open cut Indicated and Inferred Mineral Resource estimate of 4.65 Mt at 2.06 g/t Au (309,000 oz). A Probable Ore Reserve of 1.86 Mt at 1.72 g/t Au (102,686 oz) has been defined.

Figure 3.1 is a schematic long-section of Federal showing the ore zone and high grade plunge direction.

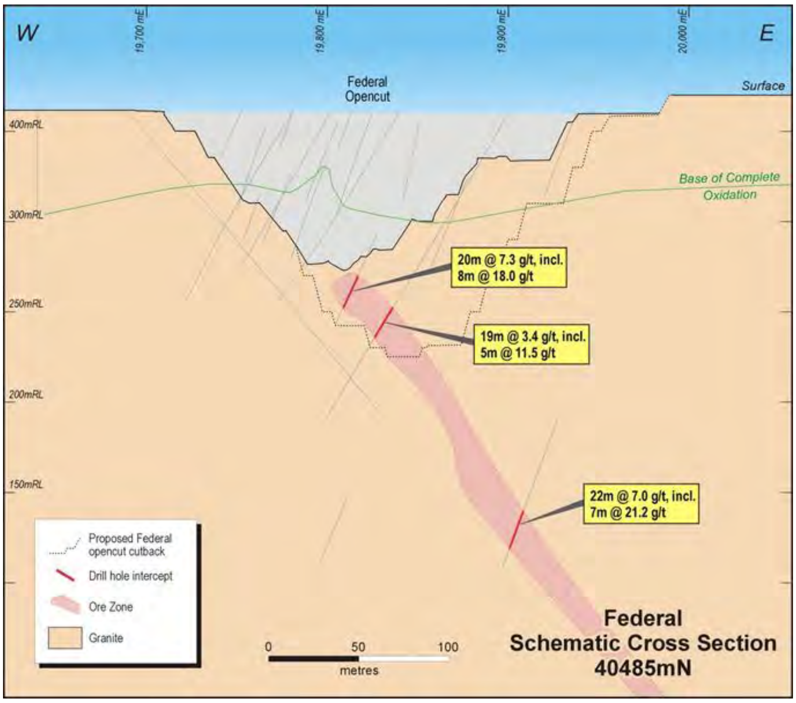
Figure 3.1 Federal schematic long-section



Source: Norton

Figure 3.2 is a schematic cross-section of Federal at 40,485mN showing the down dip high grade potential for underground development.

Figure 3.2 Federal, schematic cross-section 40,485mN



Source: Norton

The underground Mineral Resource is reported as 200 Kt at 5.36 g/t Au (35,000 oz).

3.2.2 Jakarta

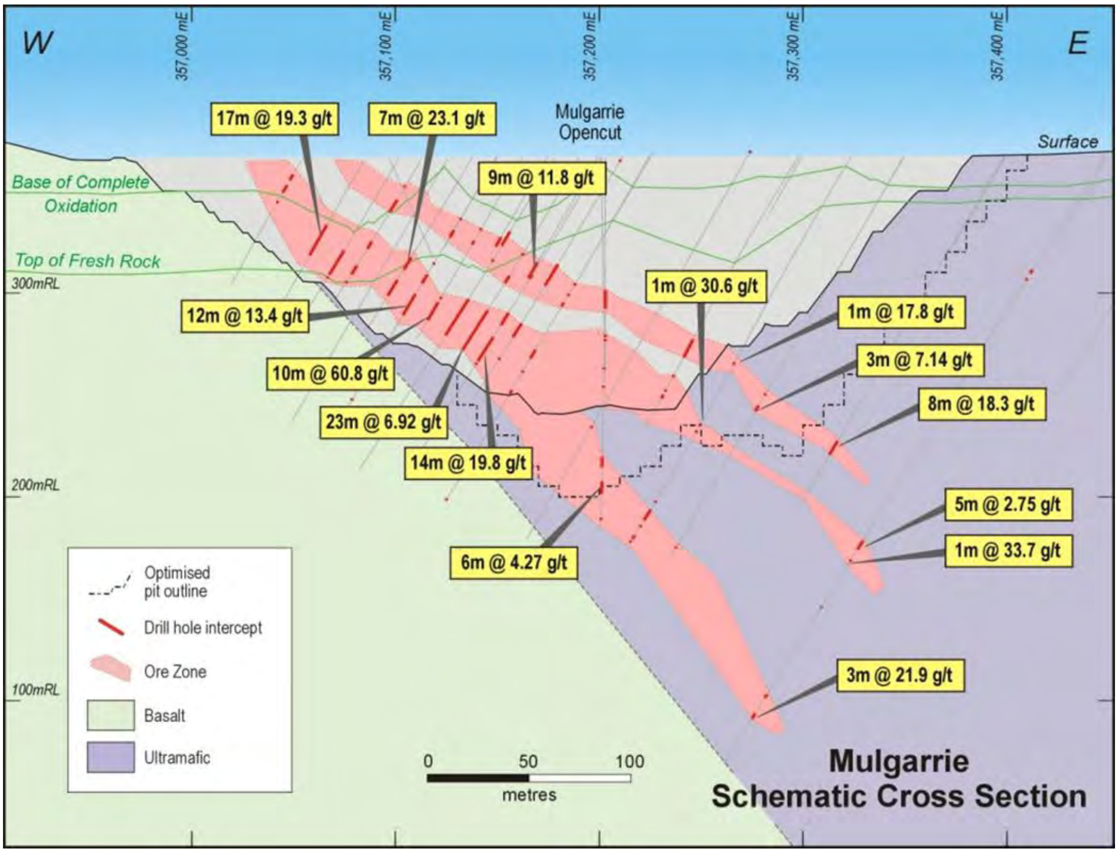
Jakarta has Indicated and Inferred Mineral Resource of 2.19 Mt at 1.13 g/t Au (79,000 oz). Currently there are no Ore Reserves estimated.

3.3 Mulgarrie

3.3.1 Mulgarrie

Figure 3.3 is a cross-section of the Mulgarrie open pit.

Figure 3.3 Mulgarrie open cut



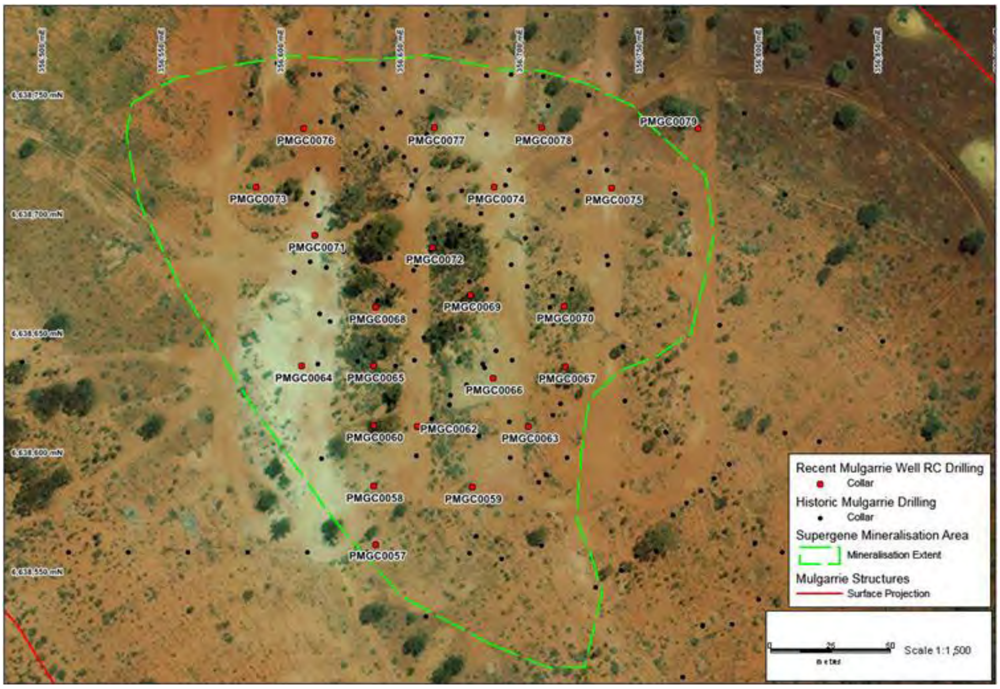
Source: Norton

Mineral Resources of 2.27 Mt at 2.40 g/t (175,000 oz) have been estimated which includes Ore Reserves of 816,000 t at 2.23 g/t Au (59,000 oz), indicating a conversion rate of about 34.

3.3.2 Mulgarrie Well

Figure 3.4 is an aerial photograph of Mulgarrie Well, showing drillhole locations.

Figure 3.4 Mulgarrie Well – drillhole location plan



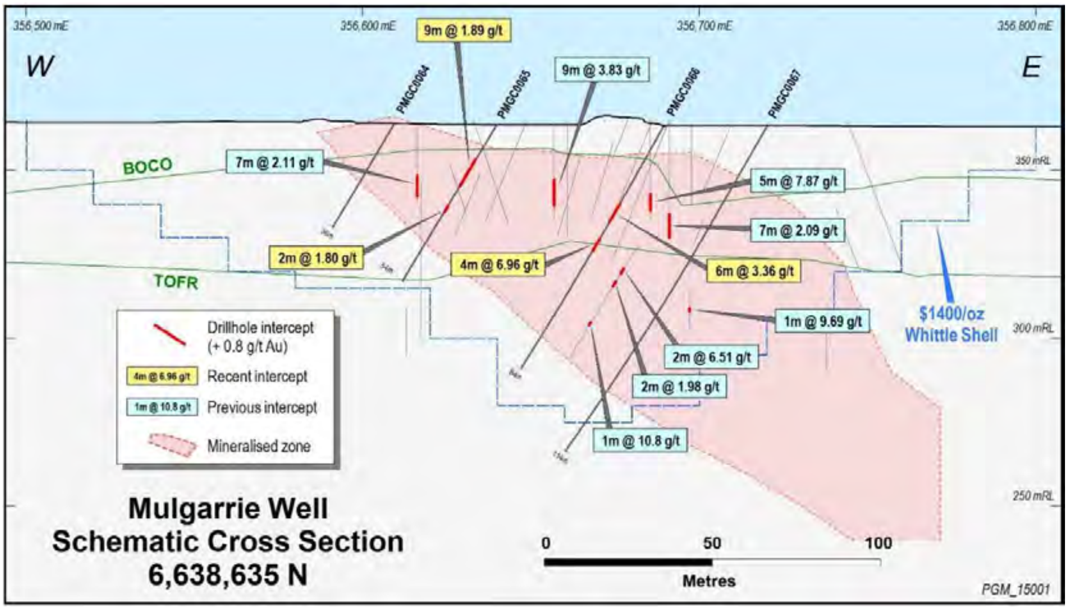
Source: Norton

The Mulgarrie Well Prospect is located 1 km north along strike of the larger and better defined Mulgarrie Prospect, and 30 km east-northeast of the Paddington Mill. A program of 22 RC drillholes has been completed to evaluate shallow mineralisation. Significant downhole results from the program include 2 m at 17.6 g/t Au from 94 m.

Drilling has intersected sheared carbonate-silica-biotite altered ultramafic rocks. Significant intercepts at shallow depth confirm that the prospect has the potential to deliver a relatively higher grade oxide-transitional resource suitable for open cut mining. Further drilling will be planned.

Figure 3.5 is a schematic cross-section of the Mulgarrie Well Prospect.

Figure 3.5 Mulgarrie Well Prospect – schematic cross-section



Source: Norton

Indicated and Inferred Resources of predominantly oxide to transitional ore are estimated at 471,871 t at 1.47 g/t Au (22,298 oz) which includes a core Indicated zone of 159,496 t at 1.68 g/t Au (8,600 oz).

3.4 Ora Banda project area

3.4.1 Enterprise open pit and underground

The Enterprise deposit is hosted by units of the Enterprise dolerite sill and comprises a breccia cap with underlying quartz stock work. Eight layers have been identified within the sill and identified as Unit 1 to Unit 8 (from depth to surface).

Gold mineralisation is characterised by multiple fault orientations, with the major ore envelope controlled by the intersection of a series of steep trending faults. High-grade gold zones are concentrated in steeply plunging linear zones that coincide with these brittle-ductile faults, and large areas of relatively lower grade mineralisation fill the gaps between the faults.

The upper fine grained layers of the Enterprise dolerite are more amenable to mineralisation and host the higher grade zones, while the coarser grained lower units of the Enterprise dolerite have a lower density of rock fracture and hence lower grade.

The upper two units of the Enterprise Dolerite (Units 8 and 7) have produced a 20 m to 40 m thick layer of intense fracturing and brecciation which is coincident with high gold grades that are continuous down plunge of the orebody. This major ore zone is referred to as the Breccia Cap and has a dominant ore texture comprised of mesofracture arrays (breccias).

Units 4 and 5 host the second major ore zone which is referred to as the 4-5 Shoot. It has been documented that these units are iron rich and thus a better host rock for gold. The ore here is dominantly fault and quartz vein hosted. The Breccia Cap and the 4-5 Shoot host 74% of the total gold in the Enterprise deposit.

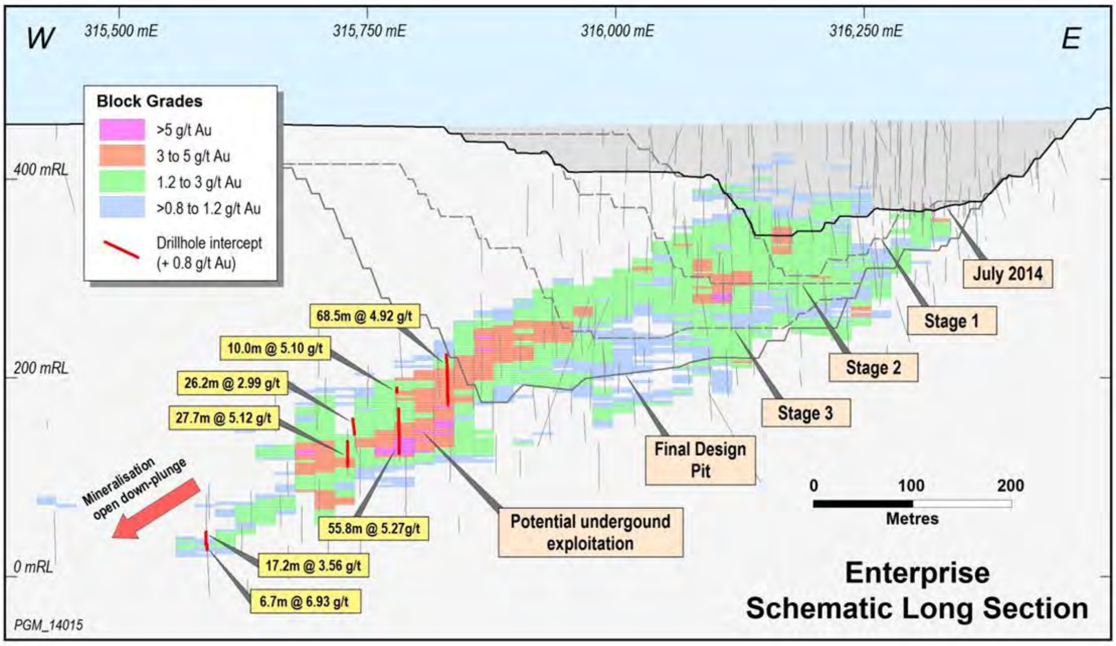
The remainder of the gold is hosted in the major east west faults which have brittle ductile ore textures, and a series of north-south, northeast-southwest and northwest-southeast trending cross-faults. This mineralisation extends at economic levels across Units 8, 7, 6, 5, 4, and the top of Unit 3 of the Enterprise dolerite. Like the 4-5 Shoot, it is dominantly fault and quartz vein hosted.

A distinct series of mineral alteration zones have developed at Enterprise. The zonation from distal to proximal to mineralisation is: chlorite-calcite, biotite-pyrite, and mica-pyrite-gold. The mica is dominantly biotite but can be muscovite/sericite closer to host structures. The biotite-pyrite alteration is in turn overprinted by muscovite-ankerite and mica-pyrite-gold haloes that are restricted to host shear zones.

Large areas of low-grade gold within the orebody are typically in chlorite-epidote rich areas. The ore mineralogy is dominated by micro-fracture related alteration, namely biotite-pyrite with minor pyrrhotite, chalcopyrite, galena and molybdenite. Small cross-faults have intense bleaching with muscovite-calcite-fluorite-molybdenite alteration which overprints the biotite-pyrite gold related alteration in the faults. Slightly lower grades indicate remobilisation of gold during an event with fluids.

Figure 3.6 is a long section of the Enterprise deposit showing the mineralisation plunging to the west and the four pit stages. At the Valuation Date, Stage 1 pit had been completed, Stage 2 pit was mined down to the orebody and Stage 3 pit had commenced the strip back. Stage 4 (shown as the final pit design) is awaiting confirmation as it depends on the gold price, but contains high-grade zones, which continue and are open at depth. This mineralisation is planned to be mined by underground in the future.

Figure 3.6 Enterprise – schematic long section



Source: Norton

3.4.2 Other prospects

Other prospects that contain Mineral Resources include Enterprise West, North Sandalwood, Sleeping Beauty and Tom Allen.

3.5 Mt Pleasant project area

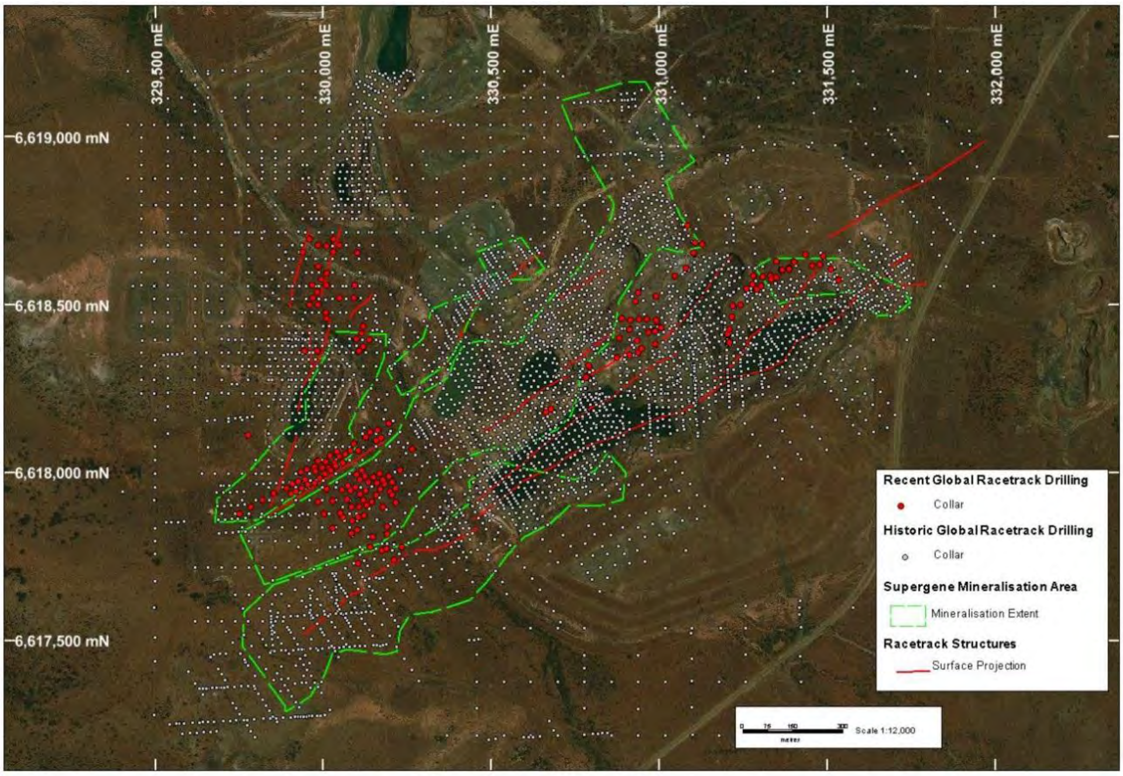
3.5.1 Racetrack Prospect

Figure 3.7 is an aerial photograph of the Racetrack Prospect showing the flooded open pits.

Figure 3.7 Racetrack Prospect

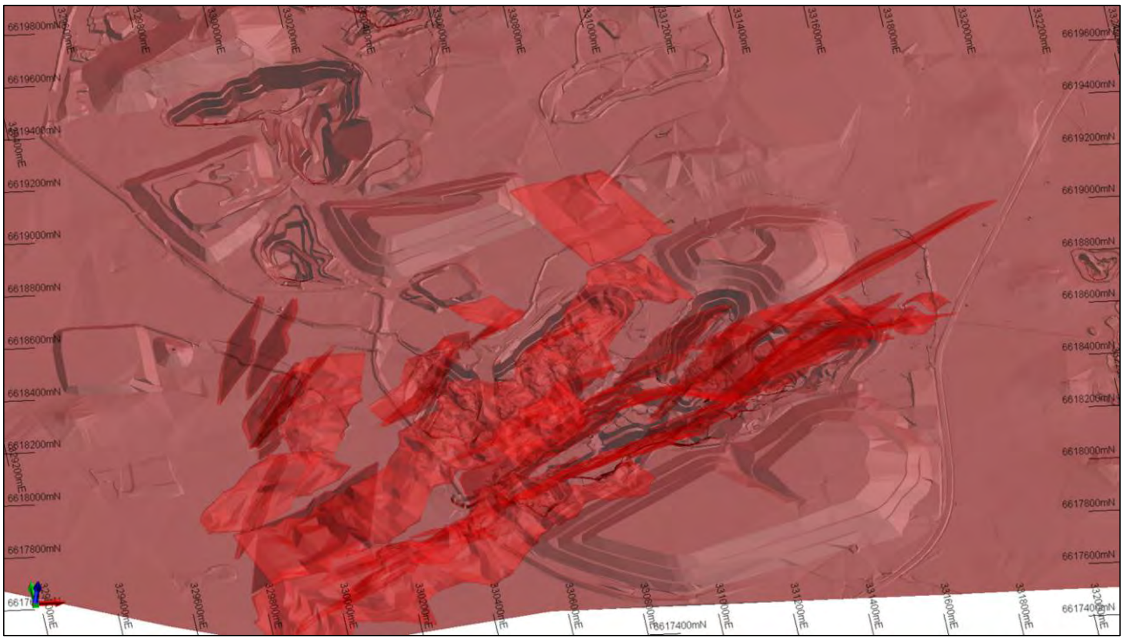
Figure 3.8 is an aerial photograph of Racetrack and Racetrack West, showing historical and recent drillhole locations.

Figure 3.8 Racetrack and Racetrack West – drillhole location plan



Source: Norton

Figure 3.9 Racetrack Prospect



Source: Norton

Table 3.1 is a table of the Racetrack Mineral Resources showing a significant increase from December 2013 to December 2014, due to resource development drilling.

Table 3.1 Racetrack Mineral Resources

	2014			2013			Variance
	Tonnes	Au g/t	Ounces	Tonnes	Au g/t	Ounces	
Open cut	10,338,000	2.06	685,488	4,940,000	3.41	541.484	144,004
Underground	255,500	6.21	50,998	-	-	-	50,998
Total	**10,593,500**	**2.16**	**736,486**	**4,940,000**	**3**	**541,484**	**195,002**

Source: Norton

The Racetrack deposit is located in the Southern Mt Pleasant camp and is composed of a series of north-westerly to westerly dipping mineralised lodes over a 2 km strike extent. The shallow oxide extensions of mineralisation have been previously exploited; remnant sulphide mineralisation is refractory in nature. Historic metallurgical testwork indicates a high flotation recovery of sulphide hosted gold mineralisation, and effective recovery of gold through one of the oxidation processes, namely pressure oxidation, biological oxidation or ultra-fine grind oxidative leach. If justifiable, development of a future refractory processing stream will provide Paddington with an opportunity to increase longer term production.

A program of resource definition infill and extensional drilling is continuing (see Figure 3.10). Drilling advance for the December quarter was 12,519.2 m comprising 2,804.2 m of diamond core from 18 drillholes to test the main refractory lodes at Racetrack, and 9,715 m of RC from 103 drillholes to test both oxide and refractory resource potential of the Racetrack West/Woolshed South Extended area.

Figure 3.10 Racetrack Prospect – resource development drilling

Source: Snowden (2015)

Significant RC and diamond core downhole intercepts include 7.9 m at 9.65 g/t Au from 124.1 m at the Racetrack Main Lode area.

The main Racetrack primary lodes are a series of stacked, northeast (060 degree) trending mineralised structures generally 2 m to 5 m in true width and characterised by zones of shearing and brecciation within mafic volcanic host rocks with pervasive alteration mineral assemblages including ankerite-sericite-pyrite-arsenopyrite. The most significant primary lodes have been labelled the Main Lode, Splay Lode and Dogtrack Lode. Refractory gold mineralisation is associated with arsenopyrite.

Mineralisation in the Racetrack West area includes both supergene and primary ore zones associated with:

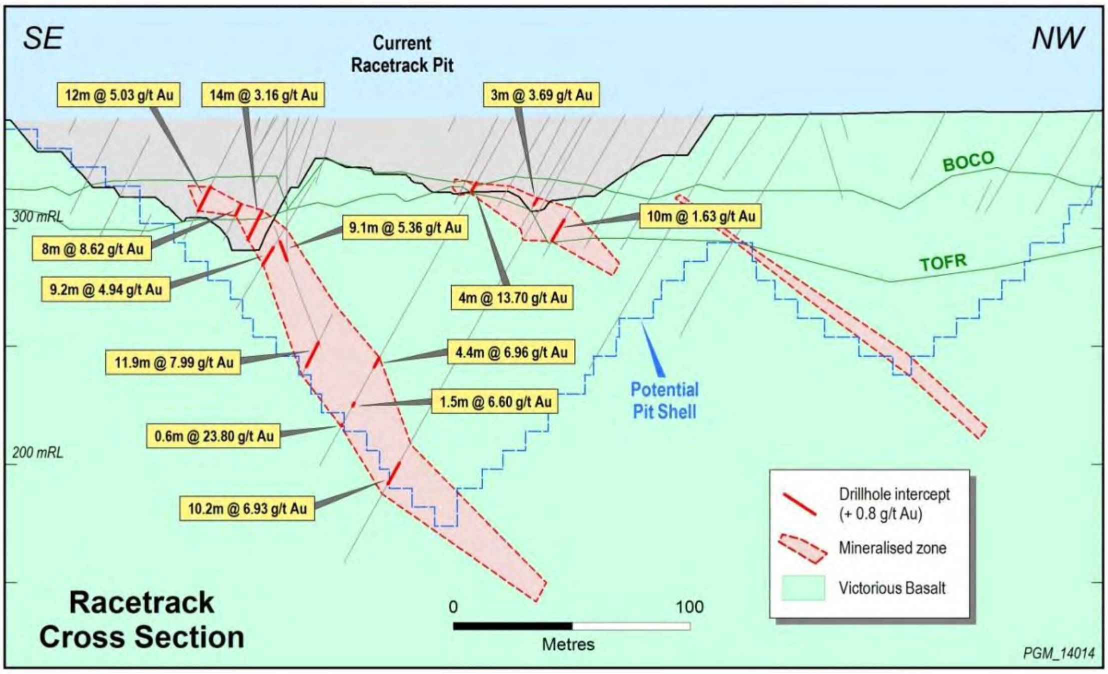
- the northerly trending Black Flag West Fault Zone
- a recently identified northeast (060 degree) trending sub-vertical lode
- adjacent flat lying supergene mineralisation.

In the Woolshed South Extended area of Racetrack West, locally broad (~10m wide) zones of primary mineralisation occur immediately adjacent to a shallow pre-existing oxide pit, with mineralisation plunging to the north. More northerly extensions of mineralisation are being evaluated between the historic Woolshed South and Woolshed South Extended pits.

In most areas mineralisation remains open at depth, and deeper drilling continues to extend mineralisation. High-grade intercepts in historic drilling at depth in the northeast area of the Main Lode indicate potential for a higher grade resource amenable to underground mining.

Figure 3.11 is a schematic cross-section of the Racetrack Prospect, Main Lode area, showing high-grade gold intercepts.

Figure 3.11 Racetrack Prospect – schematic cross-section, Main Lode area

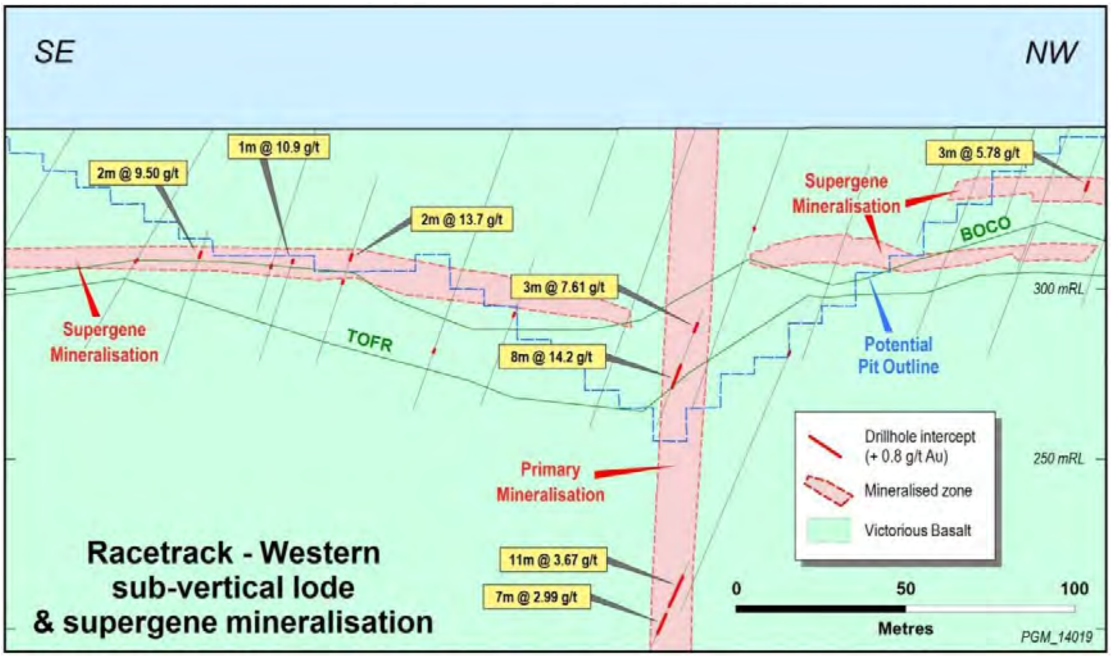


Source: Norton

The deposit has significant potential for refractory processing, with the mineralisation amenable to flotation and oxidation. Resource definition drilling is continuing until mid-2015 leading to the completion of a Feasibility Study at the end of 2015.

Figure 3.12 is a schematic cross-section of Racetrack West Prospect, showing the steeply dipping primary mineralisation and shallow dipping supergene ore, with a potential pit outline.

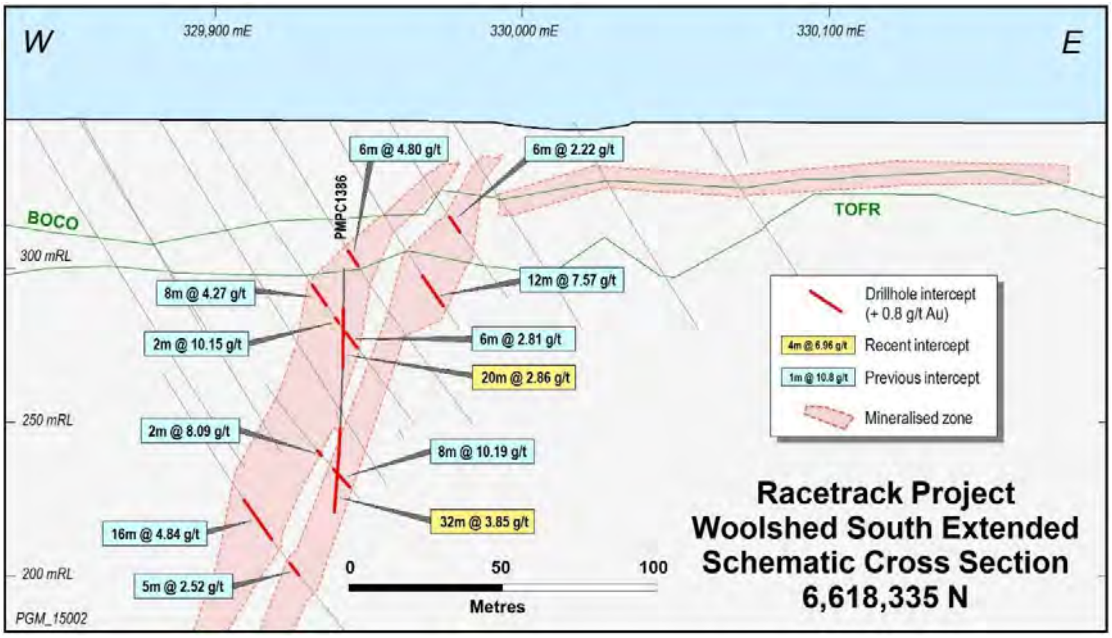
Figure 3.12 Racetrack West Prospect – schematic cross-section



Source: Norton

Figure 3.13 is a schematic cross-section of Racetrack West, Woolshed South Extended Prospect.

Figure 3.13 Racetrack West – Woolshed South Extended Prospect – schematic cross-section



Source: Norton

3.5.2 Homestead Underground

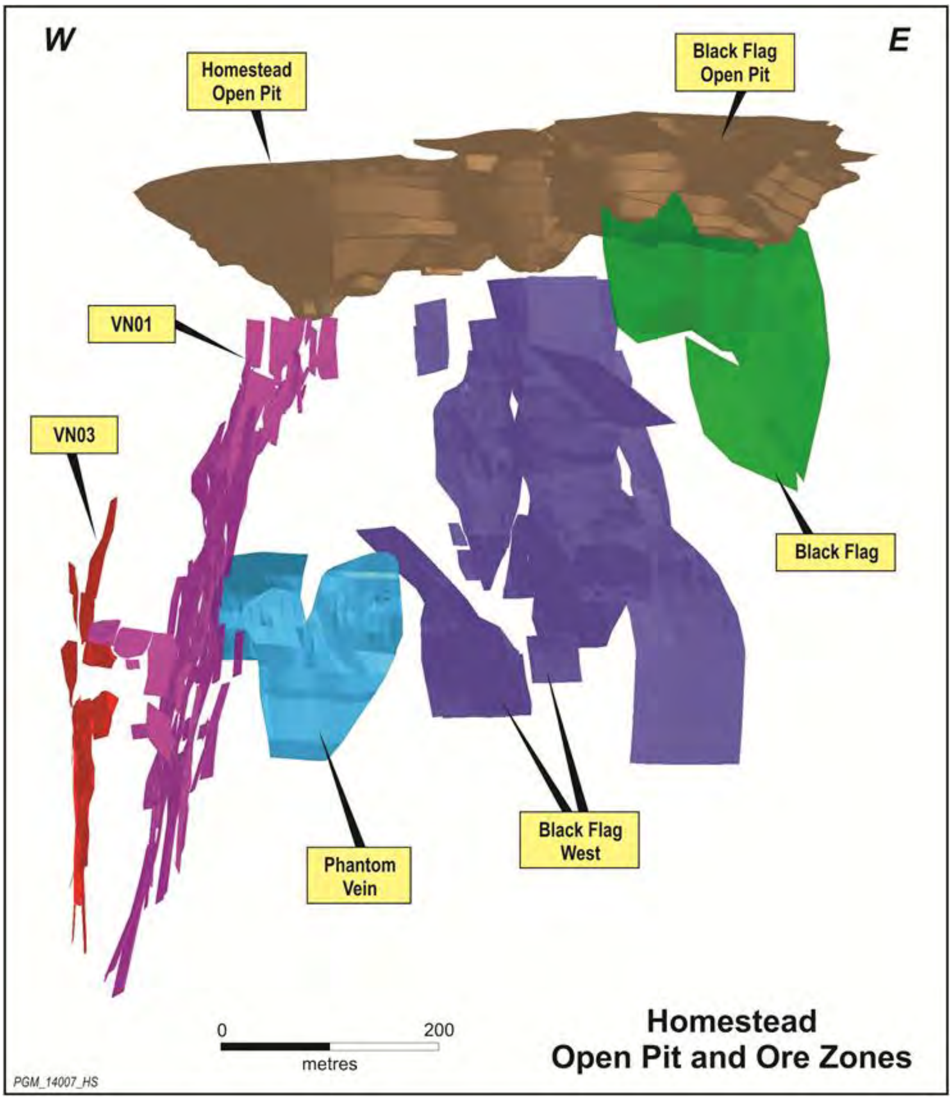
The Homestead orebody comprises several mineralised high-grade veins (VN01, VN02 and VN03), within the north trending, steep, west-dipping Homestead shear zone. A series of oblique east-west to northwest trending veins, the Phantom and small 140 veins respectively, occur immediately east of the Homestead shear zone. At the northern limit of VN01, the Homestead shear zone is cut by a northeast trending fault structure which laterally offsets the main mineralised zone some 40 m to the west of VN01, which is referred to as VN03.

A series of oblique extensional crosscutting structures create some barren internal zones within the main shear zone. Mineralised veins within the resource area of Homestead remain open along strike, down-dip and down plunge and in some cases up-dip, particularly the southerly extensions to the VN01 and VN02 orebodies.

Underground mining at Homestead is active in two main north trending, shear hosted mineralised veins labelled VN01 and VN03, and within the adjacent oblique trending Black Flag West Vein. The Black Flag West Vein is the dominant underground ore source at Homestead.

Figure 3.14 shows the Homestead gold deposits being mined from underground, beneath the Black Flag and Homestead open pits (mined out).

Figure 3.14 Homestead gold deposits



Homestead underground contains Indicated and Inferred Resources of 0.344 Mt at 15.3 g/t (169,000 oz) with an Ore Reserve of 221,441 t at 6.54 g/t (46,591 oz). Homestead has been in constant production since late 2009, with 242,000 oz produced up to the Valuation Date. It is a complex orebody with several different vein lode orientations. New high-grade vein targets are currently being assessed and drilled.

During the December 2014 quarter, combined resource development and grade control drilling programs have recorded an advance of 2,831.6 m of diamond core from 18 underground diamond drillholes. Two areas have been drill tested during the period, namely depth extensions of the Black Flag West Vein and a newly defined mineralised vein now called the Henning Vein. High-grade gold intercepts have been drilled at both zones.

Table 3.2 shows the changes of the Homestead underground Mineral Resources from December 2013 to December 2014.

Table 3.2 Homestead underground Mineral Resources (Dec 2013 to Dec 2014)

Homestead Min Res as at 31 December 2014				
Res Class	Deposit	Tonnes	Au Ok	Oz
Measured	VN01	44,258	20.44	29,085
	VN03	3,836	13.16	1,623
	Phantom	8,779	17.11	4,829
	Black Flag	50,851	18.82	30,769
Total Measured		**107,724**	**19.14**	**66,305**
Indicated	VN01	20,808	14.54	9,727
	VN03	18,727	18.48	11,127
	Phantom	5,175	19.77	3,290
	Black Flag	48,976	11.61	18,281
Total Indicated		**93,686**	**14.08**	**42,425**
Inferred	VN01	51,584	18.07	29,970
	VN03	8,195	10.89	2,869
	Phantom	4,221	8.69	1,179
	Black Flag	78,567	10.36	26,169
Total Inferred		**142,567**	**13.13**	**60,187**
Total Resource		**343,977**	**15.27**	**168,917**
3.5 g/t lower cut off				

Homestead Min Res as at 31 Dec 2013				
Res Class	Deposit	Tonnes	Au Ok	Oz
Measured	VN01	43,809	22.16	31,214
	VN03	4,809	19.24	2,975
	Phantom	8,779	17.11	4,829
	Black Flag	17,672	26.59	15,105
Total Measured		**75,069**	**22.42**	**54,122**
Indicated	VN01	29,083	17.59	16,450
	VN03	13,122	24.06	10,151
	Phantom	5,175	19.77	3,290
	Black Flag	64,217	19.97	41,236
Total Indicated		**111,597**	**19.82**	**71,127**
Inferred	VN01	58,525	16.06	30,220
	VN03	11,448	16.26	5,985
	Phantom	4,221	8.69	1,179
	Black Flag	38,729	13.50	16,806
Total Inferred		**112,923**	**14.93**	**54,191**
Total Resource		**299,589**	**18.63**	**179,440**
3.5 g/t lower cut off				

Source: Norton

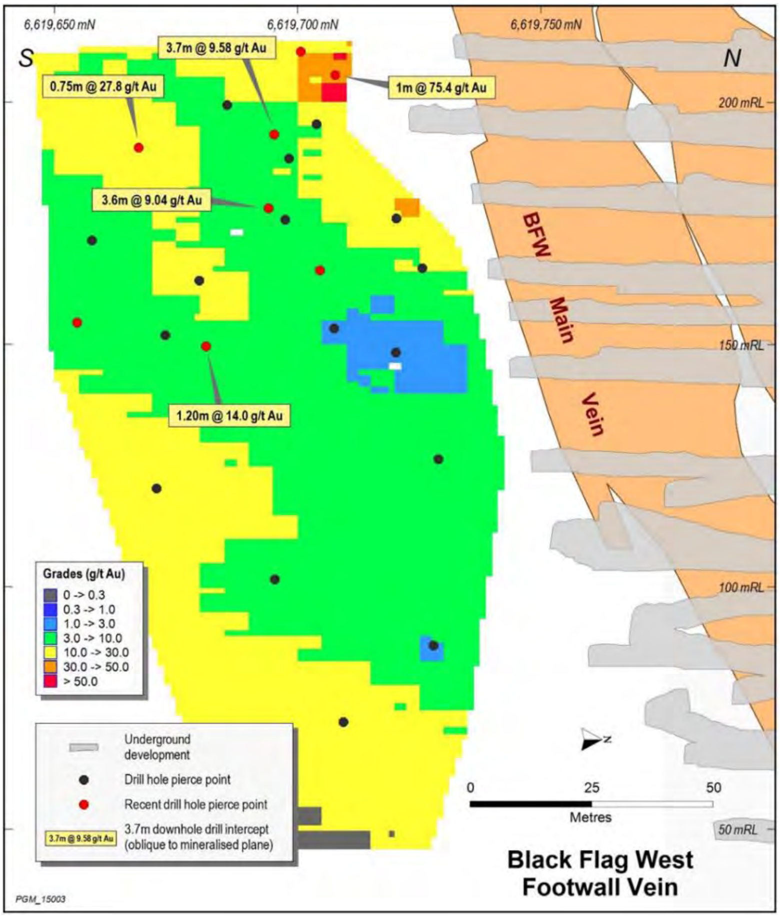
Henning Lode

The Henning Lode or Vein is a new discovery located in the footwall of the northwest trending, northeast dipping Black Flag West Vein. Orientation of the new vein is interpreted to be north-south trending and steep east dipping. The Henning Vein is characterised by massive to laminated vein quartz with a pyrite/pyrrhotite/galena/ sphalerite sulphide assemblage, similar to other mineralised veins in the area. The vein averages approximately 1 m to 2 m in true width based on current data. Mineralisation has been intersected over a strike extent of 50 m to 100 m, and a dip extent of up to 150 m. Multiple zones of mineralisation have been intersected in some drillholes, indicating the potential for smaller sub-parallel veins.

Mineralisation in the Henning Vein currently remains open up and down-dip, and along strike to the north and south locally. Both the Black Flag West and the Black Flag mineralised veins abut the Henning Vein and are interpreted to terminate extensions of the vein.

Figure 3.15 is a schematic long-section of the Henning Vein looking west.

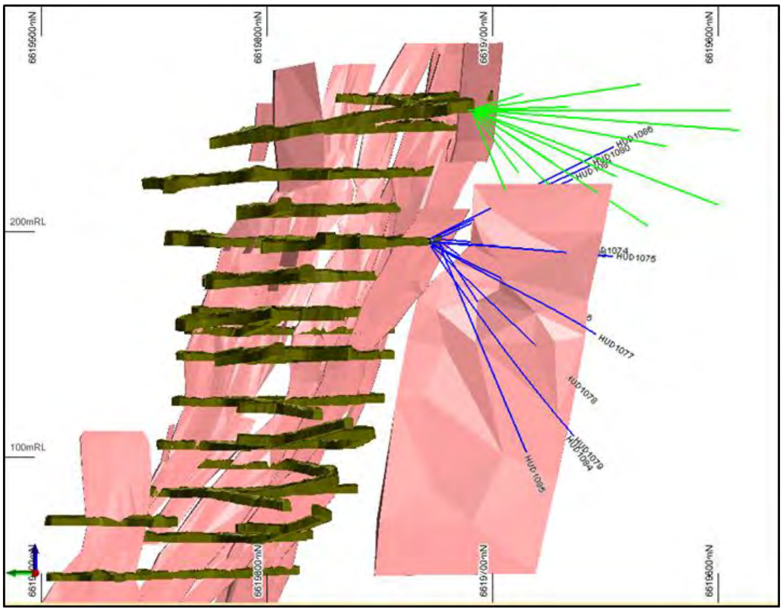
Figure 3.15 Henning Vein – schematic long-section looking west



Source: Norton Quarterly Report, December 2014

Figure 3.16 is a cross-section through the Black Flag and Henning Lodes showing the recent drilling (blue) and planned drilling (green) where the mineralisation is open.

Figure 3.16 Drilling at Henning Lode



Source: Norton

Black Flag West

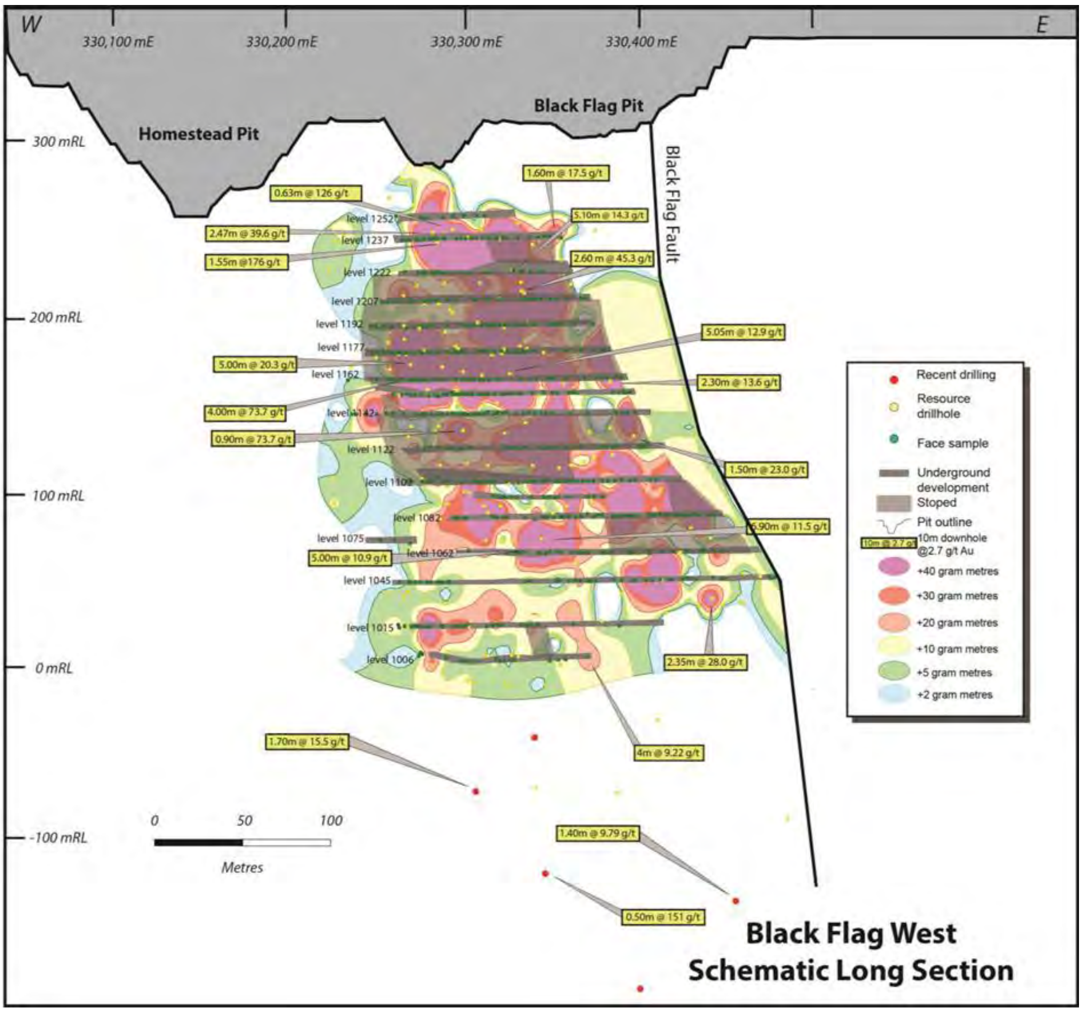
Recent drilling results from a limited number of drillholes in the Black Flag West Deeps drilling program have returned highly encouraging results. Drill intercepts indicate significant high-grade mineralisation at depth, up to 100 m below the current Resource model. Given the very broad spacing of deeper drilling, interpretation is not conclusive as to whether the new intercepts represent extensions of known mineralised veins, or development of new veins, but both interpretations offer upside resource potential.

New drilling results continue to highlight the structural complexity of the Mt Pleasant camp. Historical drilling has specifically targeted the north-south trending Black Flag Fault and Homestead Shear Zone corridors by shallow, east-west oriented drilling not optimal to identification of oblique or deeper mineralised structures.

In the last five years, identification of the 140 degree trending Black Flag West Vein, the east-west trending Phantom Vein and now the Henning Vein, all highlight the prospectivity of the Mt Pleasant camp for high grade vein-style mineralisation.

Figure 3.17 is a schematic long-section of the Black Flag West Prospect looking north. It shows the high-grade intercepts and zones exceeding 40 gram metres. The Black Flag West is reported to contain Resources of 178 Kt at 13.1 g/t (75,000 oz). Deep drilling is returning ore grade intercepts well below the current Resource.

Figure 3.17 Black Flag West Prospect – schematic long-section looking north



Source: Norton Quarterly Report, December 2014

3.5.3 Tuart Open Cut and Underground Prospect

The Tuart Prospect is located within the Mt Pleasant mine camp area, adjacent to the currently operating Homestead underground mine and the previously mined Green Gum open cut mine.

The Tuart deposit comprises a series of high grade quartz-carbonate-sulphide brecciated or laminated veins hosted within mafic volcanics. Supergene oxide mineralisation is developed in the regolith immediately above and/or adjacent to the primary veins. Mineralisation covers a broad area located to the northwest of the Homestead underground mine, and immediately west of the historically mined Quarters open pit and underground mine.

The greater Tuart resource area captures five main primary mineralised veins on varying orientations along with overlying and adjacent supergene oxide mineralisation. The primary veins are labelled the Tuart 060, 115 and 080 Veins, the Quarters 040 Vein, and the Golden Swan 090 Vein.

2014 drilling programs have targeted mineralisation in the hangingwall of the Tuart 060 Vein, and the Quarters 040 Vein, both aimed at identifying high-grade mineralisation capable of underground exploitation.

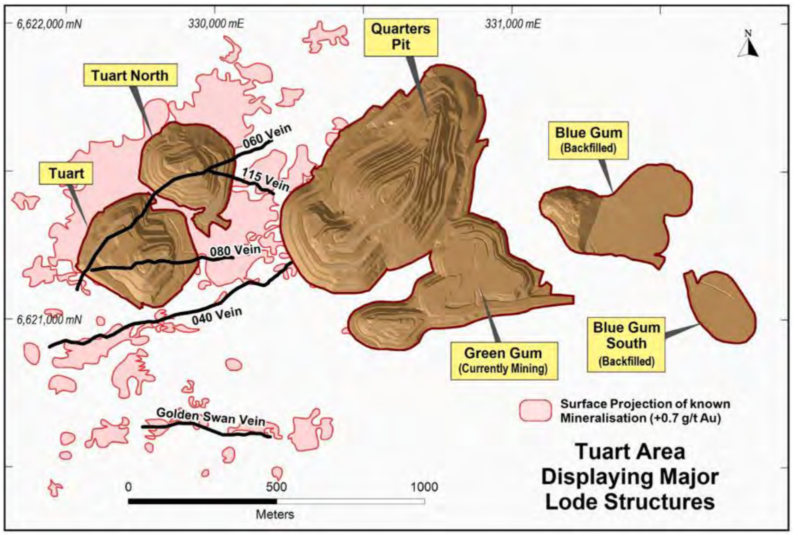
Core from the Tuart 060 Vein is still to be logged and sampled and results will be reported in the next period. Results for the short Quarters 040 program did not return any significant mineralisation.

The Tuart Open Cut and Underground Prospect contains Indicated and Inferred Mineral Resources of 5.29 Mt at 2.71 g/t Au (461,000 oz) which was defined after substantial drilling conducted during 2013. The Mineral Resource estimate comprises an open cut component of 4.21 Mt at 1.82 g/t Au (246,000 oz), and an underground component of 1.08 Mt at 6.18 g/t Au (215,000 oz). A Probable Ore Reserve estimate of 1,718,567 t at 1.67 g/t Au (92,273 oz) has been defined.

Upside potential remains in recently identified mineralised veins, depth extensions of known veins and increased definition of the supergene zone.

Figure 3.18 is a plan of the Tuart Prospect showing the completed open pits, the zone of near surface supergene gold mineralisation (+0.7 g/t Au) and the underground veins.

Figure 3.18 Tuart Area Prospects



Source: Norton

Golden Tuart (high-grade vein target)

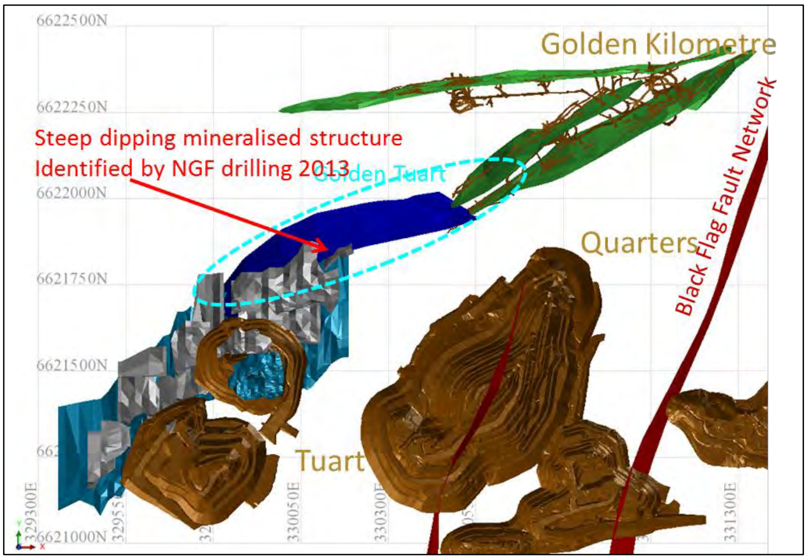
Figure 3.19 is an aerial photograph of the Mt Pleasant area showing open pits and Golden Tuart target area.

Figure 3.19 Mt Pleasant area showing Golden Tuart target area

Source: Norton

Figure 3.20 is a schematic diagram showing the target area between Golden Kilometre and Tuart that may have potential for high-grade veins, referred to as Golden Tuart.

Figure 3.20 Golden Tuart target area



Source: Norton

Tuart T115

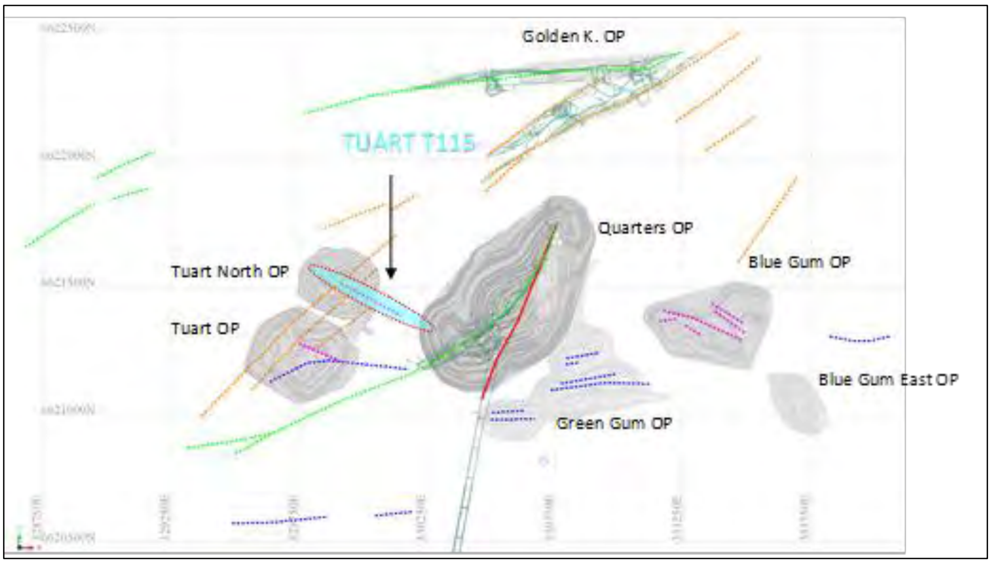
Figure 3.21 is an aerial photograph of the Mt Pleasant area showing the T115 target area.

Figure 3.21 Mt Pleasant area showing T115 target area

Source: Norton

Figure 3.22 is a map of the Mt Pleasant area showing the location of the T115 target area. The map also shows the complexity of the Mt Pleasant area and at least six different vein and/or shear directions. This shows the difficulty in exploration but also the potential for hidden deposits.

Figure 3.22 Mt Pleasant area showing location of T115 target area



Source: Norton

3.5.4 Other prospects

Other prospects that contain Mineral Resources include Green Gum, Blue Gum, Golden Kilometre, Royal Standard North, Quarters 040, Mt Pleasant, Marlock, Natal, Golden Flag (open cut and underground), Rose Dam South and Rose.

3.6 Lady Bountiful project area

The Lady Bountiful project area is located just north of the Mt Pleasant project area, and consists of the Lady Bountiful Indicated and Inferred Resources of 1.98 Mt at 1.78 g/t Au (113 Koz). The project area also contains small palaeo-alluvial deposits. The area also includes the Lady Bountiful Extended prospect with Inferred Resources of 4.25 Mt at 1.72 g/t Au and Liberty West prospect with Inferred Resources of 0.54 Mt at 1.94 g/t Au (34 Koz).

3.7 Binduli project area

The Binduli area southeast of Kalgoorlie contains the larger Navajo Chief, Janet Ivy and Ben Hur gold deposits and includes the smaller Fort William, Fort Scott and Apache, Neferti, Pitman South, Walsh and Walsh North prospects.

3.7.1 Janet Ivy

Janet Ivy is located 33 km south of the Paddington Mill and 10 km west of Kalgoorlie, and was an open cut mine that delivered base-load ore to the mill by a dedicated haul road between 2011 and 2013. The deposit is a broad, strike extensive zone of mineralisation contained within felsic porphyry intrusive. Mineralisation is controlled by a vein stock work zone, individual fault-controlled veins, and pervasive wall rock alteration of the porphyry. Significant mineralisation extends over a 1.3 km strike extent and to an average vertical depth of 130 m to 150 m from surface, and remains open along strike and at depth.

At a 0.5 g/t Au ore cut-off grade, Janet Ivy contains a remnant Indicated and Inferred Mineral Resource of 13.61 Mt at 0.89 g/t Au (389,000 oz). The estimate is subdivided into a higher grade component at a 0.6 g/t Au ore cut-off grade comprising 10.3 Mt at 1.00 g/t Au (331,000 oz), and a lower grade component at the 0.5 g/t Au to 0.6 g/t Au grade range comprising 3.31 Mt at 0.55 g/t Au (58,000 oz). The lower grade range captures additional material that may be amenable to heap leach and this evaluation is underway. A remaining Probable Ore Reserve of 2.39 Mt at 1.11 g/t Au (85,000 oz) has been defined as a mill-only scenario (not inclusive of any heap leach potential).

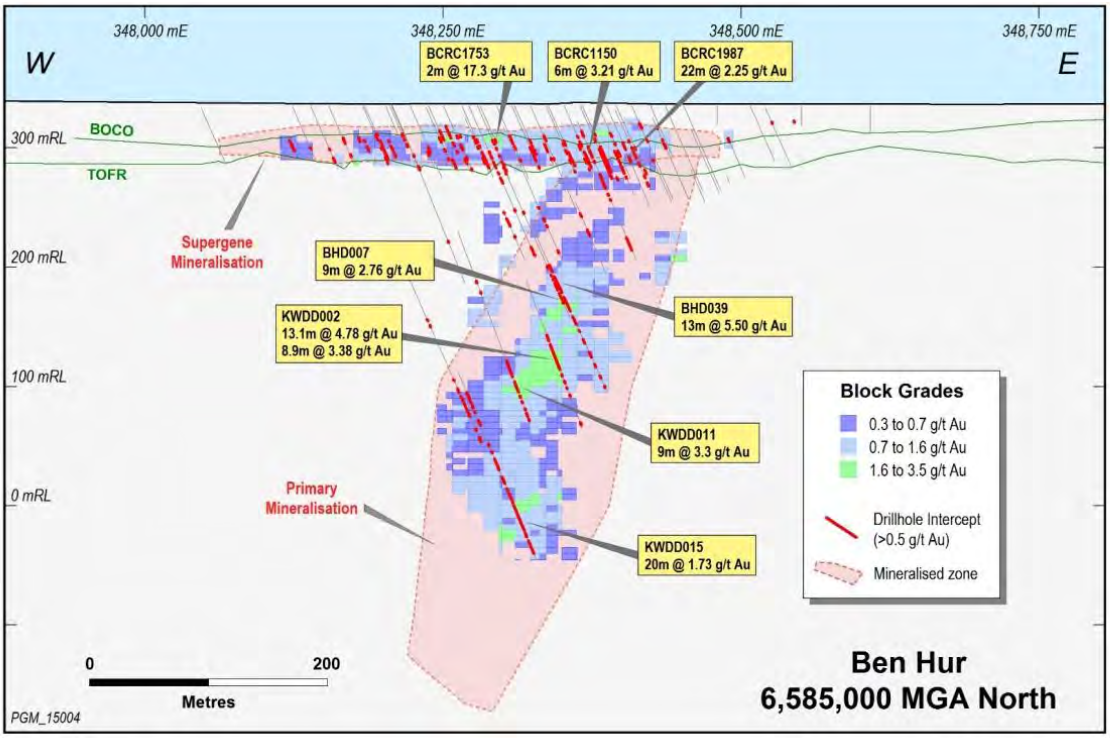
3.7.2 Navajo Chief

The Navajo Chief gold deposit contains four parallel, north trending ore zones within a broad structural corridor. Mineralisation occurs in an alteration zone of albite-ankerite-sericite-silica-hematite-pyrite-magnetite within a sequence of northwest trending, steep west dipping fine to coarse grained clastic sediments. Mineralisation plunges shallowly to the south and remains open down plunge and along strike, with individual ore lodes dipping moderately to the west. One of the more easterly lodes, the 'Main Lode' comprises 75% of the total Resource. Higher grade zones occur within shallow west-dipping quartz-pyrite veins.

3.7.3 Ben Hur (1, 2, 3)

The Ben Hur Prospect is a large low-grade resource of 27.4 Mt at 0.93 g/t Au (0.81 Moz) within the Binduli camp, which has total resources of 70 Mt at 0.87 g/t Au (1.97 Moz). Favourable heap leach recoveries have been reported using High Pressure Grinding Rolls ("HPGR") crushed material. Figure 3.23 is a cross-section at the Ben Hur Prospect showing some significant gold grades in the primary zone and supergene zone.

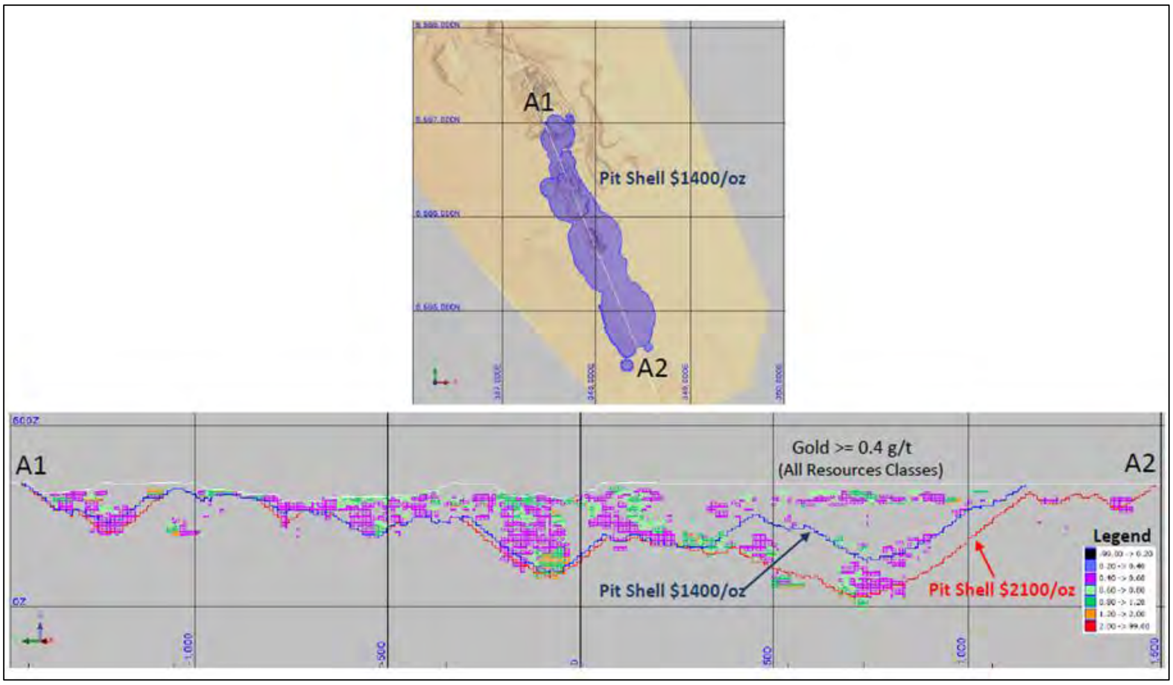
Figure 3.23 Ben Hur cross-section 6,585,000 MGA North



Source: Norton

Figure 3.24 shows the Ben Hur open pit shell, optimised at A\$1,400/oz and long-section with A\$1,400/oz and A\$2,100/ounce pit outline.

Figure 3.24 Ben Hur open pit shell (A$1400/oz) and long section



Source: Norton

Table 3.3 shows the Ben Hur Mineral Resources in 2013 and 2014. The increase in resources at lower grade is for a proposed heap leach operation.

Table 3.3 Ben Hur Mineral Resources

2014			2013			Variance
Tonnes	**Au g/t**	**Ounces**	**Tonnes**	**Au g/t**	**Ounces**	
27,346,259	0.93	814,142	928,9124	1.74	519,736	+294,406

Source: Norton

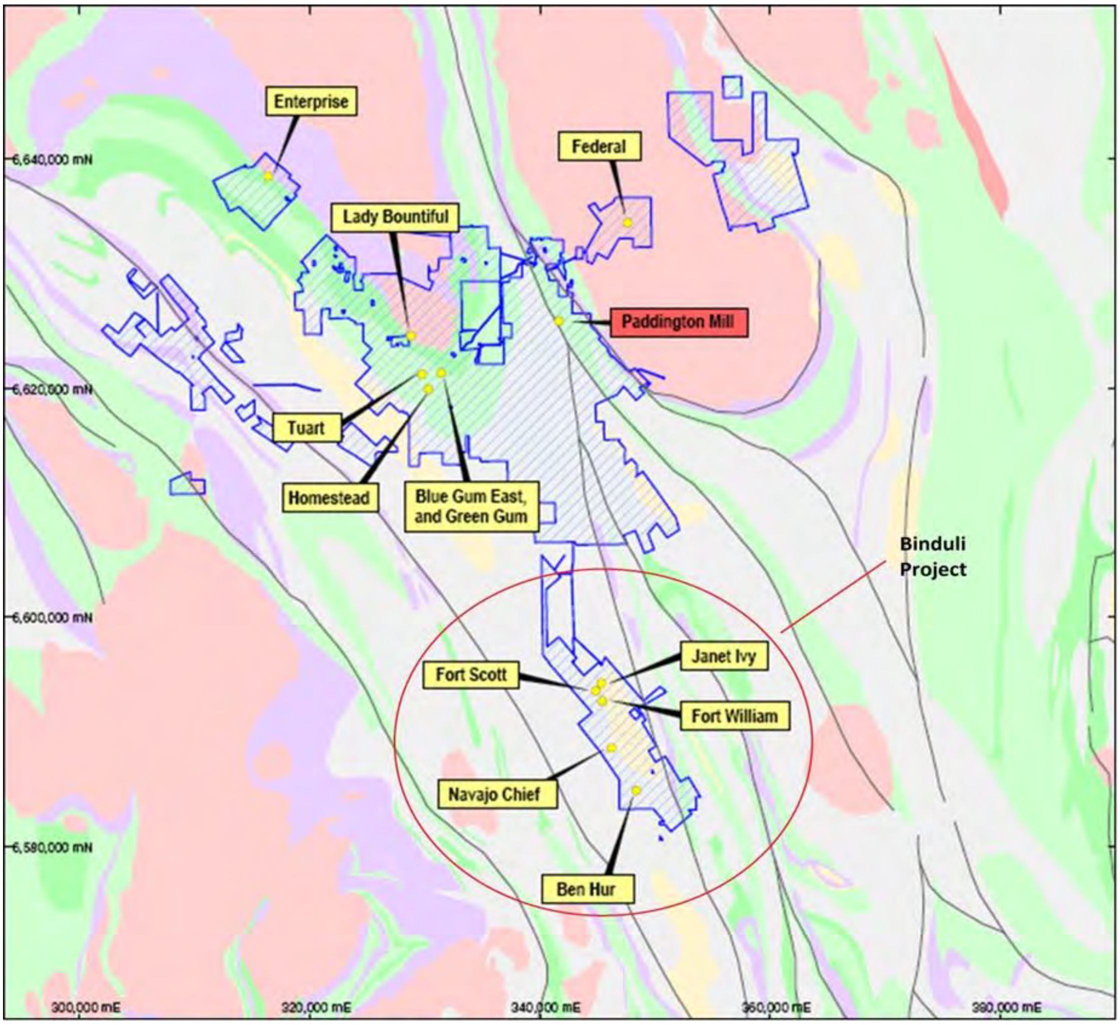
3.7.4 Other prospects

Other prospects that contain Mineral Resources are Fort William, Fort Scott and Apache, Neferti, Pitman South, Walsh and Walsh North (refer Section 2.8).

3.7.5 Planned heap leach prospects

Figure 3.25 is a plan of the Binduli project area with the five deposits that have potential for a heap leach operation.

Figure 3.25 Planned heap leach prospects



Source: Norton

3.8 Carbine project area

3.8.1 Bullant underground

The Bullant Project is located 40 km west of the Paddington Mill and was acquired from KMC during 2013. The underground mine is situated along the Zuleika Shear Zone, a highly prospective regional north-northwest trending structure. The Shear Zone is a broad ductile to brittle structural corridor contained within a mafic unit in the mine area. The Shear Zone dips sub-vertically to steep east dipping. Mineralisation occurs in up to four lodes (labelled the Main, East, West and Cross lodes) and is associated with biotite-silica-pyrite altered basalt and minor local quartz veining. Both the Main and East lodes remain open at depth and in various other positions around previously mined areas.

Drilling programs commenced during the December 2014 quarter are systematically evaluating depth extensions of the Main Lode area at nominal 40 m x 40 m spacing.

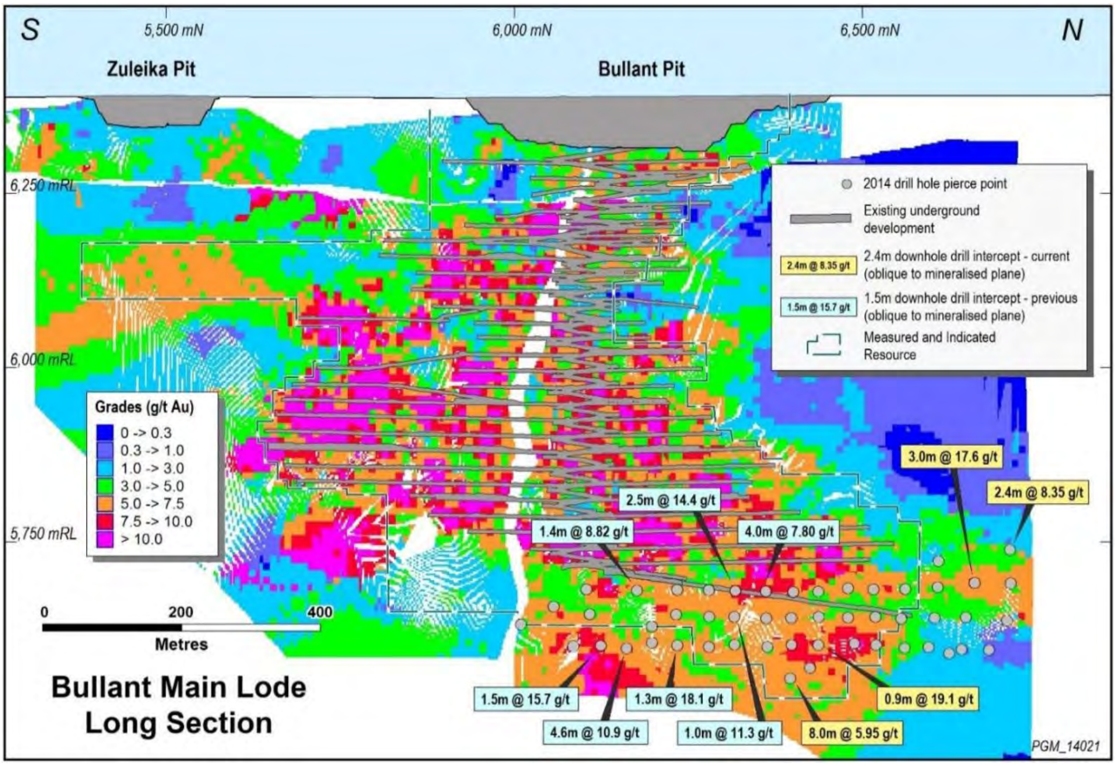
Combined underground resource development and grade control programs have recorded an advance of 5,475.9 m from 32 diamond core drillholes. Significant downhole results include:

- 3 m at 17.6 g/t Au from 153 m.

Results show that mineralisation in the Main Lode is continuous to a level at least 200 m below the deepest previous level development (5715 level), with the deepest drillholes still recording high-grade intercepts. The greatest Resource and Reserve potential occurs at depth in the Main Lode, but other areas have good potential for future Resource and Reserve addition, including north and south extensions of the Main Lode at depth, and upper southern extensions around the 6065 level.

Figure 3.26 is a schematic long-section of Bullant Main Lode, showing recent significant drilling results, including 2.5 m at 14.4 g/t Au and 4.8 m at 10.9 g/t Au.

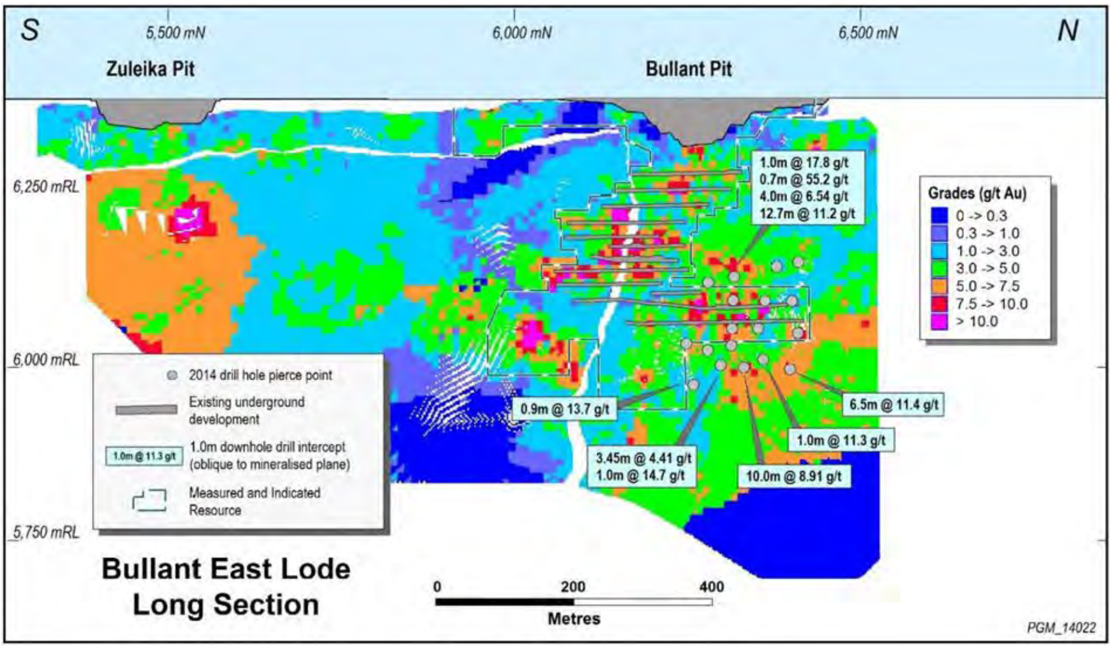
Figure 3.26 Bullant Main Lode – schematic long-section showing recent drilling results



Source: Norton Quarterly Report, December 2014

Figure 3.27 is a schematic long-section of Bullant East Lode, showing recent drilling results.

Figure 3.27 Bullant East Lode – schematic long-section showing recent drilling results



Source: Norton Resource Reserve Update YE2014

Table 3.4 shows the Mineral Resources at Bullant in December 2013 and December 2014, showing the increase in tonnes, grade and resource ounces.

Table 3.4 Bullant Underground Resource (31 December 2013 and 2014)

December 2014					December 2013				
Lode	Category	Tonnes	Au g/t	Ounces	Lode	Category	Tonnes	Au g/t	Ounces
Bullant (Main Lode)	Measured	25,703	6.78	5,606	Bullant (Main Lode)	Measured	29,200	6.82	6,400
	Indicated	811,641	5.61	146,470		Indicated	569,300	5.04	92,300
	Inferred	682,461	5.67	124,401		Inferred	761,600	5.46	133,800
	Sub Total	1,519,805	5.66	276,477		Sub Total	1,360,100	5.32	232,500
Bullant (East Lode)	Measured	61,950	5.69	11,333	Bullant (East Lode)	Measured	50,000	6.59	10,600
	Indicated	219,249	4.63	32,664		Indicated	192,800	4.57	28,300
	Inferred	507,977	4.87	79,587		Inferred	401,700	4.29	55,400
	Sub Total	789,176	4.87	123,584		Sub Total	644,500	4.55	94,300
Bullant (Cross Lode)	Measured	0	0.00	0	Bullant (Cross Lode)	Measured	0	0.00	0
	Indicated	14,459	4.09	1,901		Indicated	17,200	4.16	2,300
	Inferred	7,088	4.52	1,030		Inferred	9,500	4.26	1,300
	Sub Total	21,547	4.23	2,931		Sub Total	26,700	4.19	3,600
Total	Measured	87,653	0.00	16,939	Total	Measured	79,200	6.68	17,000
	Indicated	1,045,349	0.00	181,035		Indicated	779,300	4.91	122,900
	Inferred	1,197,526	0.00	205,018		Inferred	1,172,800	5.05	190,500
	Total	2,330,528	5.38	402,992		Total	2,031,300	5.06	330,400 ¶

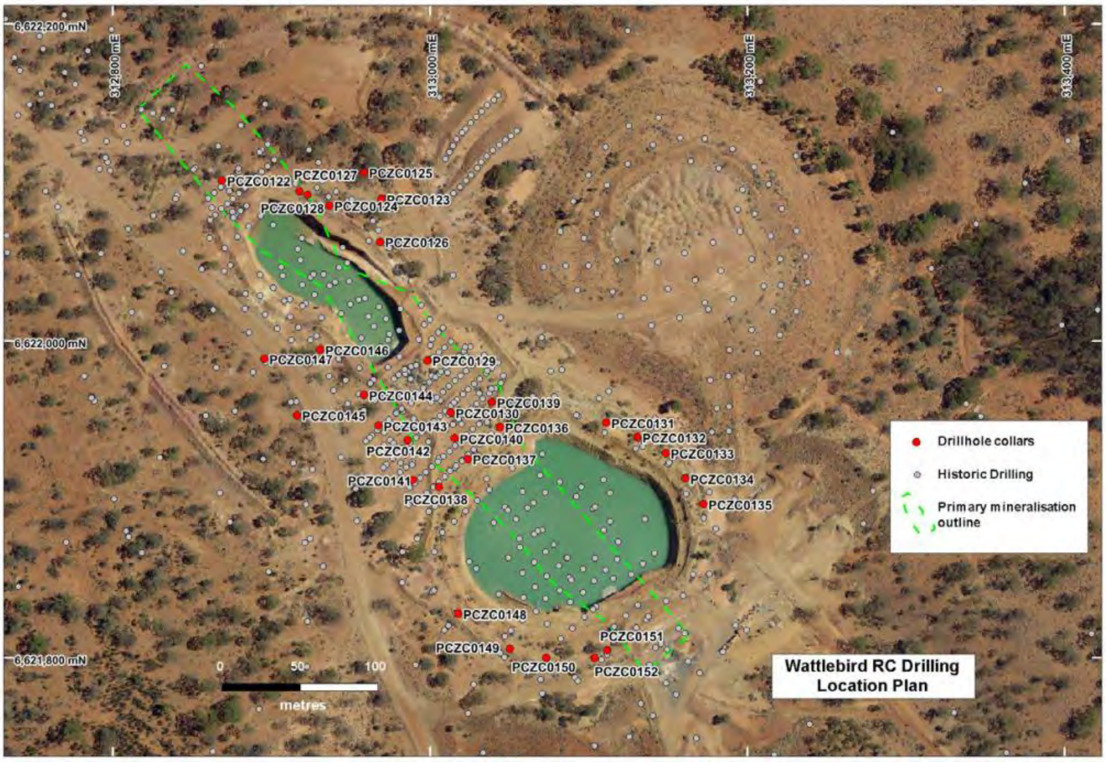
Source: Norton
Note: 3.5 g/t Au cut-off

Bullant has Proved and Probable Reserves of 427,215 at 3.38 g/t (46,421 oz). Numerous targets for Resource and Reserve addition have been identified and work is ongoing to convert additional Resources to Reserves.

3.8.2 Wattlebird

Figure 3.28 is an aerial photograph of the Wattlebird Prospect, showing the collar locations of recent RC drilling.

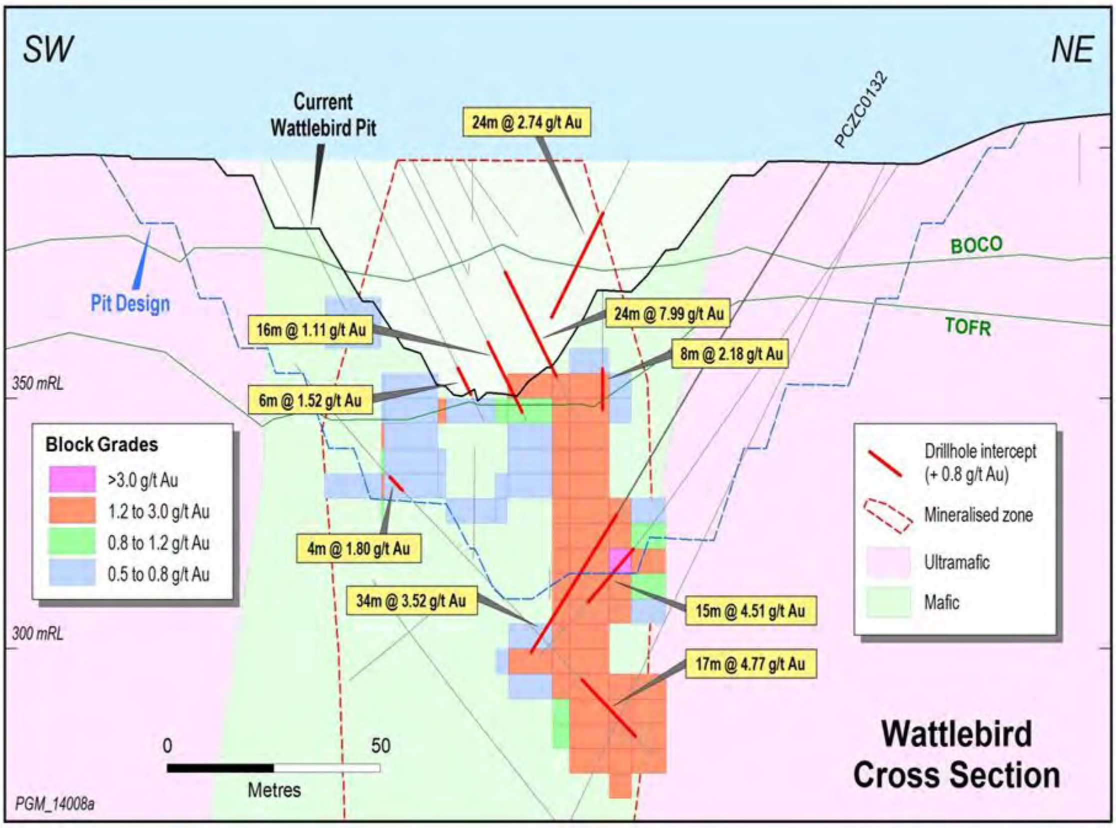
Figure 3.28 Map showing the collar locations of the recent RC drilling at Wattlebird



Source: Norton

Figure 3.29 is a cross-section of Wattlebird open cut.

Figure 3.29 Wattlebird open cut



Source: Norton

Mineral Resource of 1.95 Mt at 1.37 g/t (85,000 oz) and open pit Ore Reserve of 491,000 t at 1.47 g/t Au (23,000 oz). The open cut operation currently shares infrastructure with Bullant underground operations. The underground potential of Wattlebird is yet to be evaluated.

Snowden visited the Wattlebird operation as part of the site inspection.

3.8.3 Other prospects

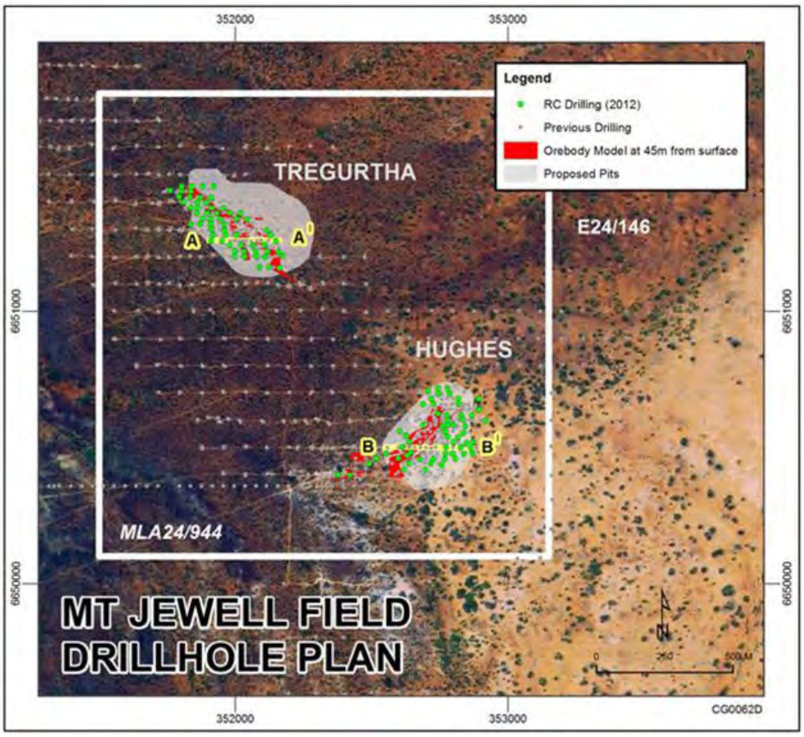
Other prospects that contain Mineral Resources include Matt's Dam, Matt's Dam South and Porphyry (refer Section 2.8).

3.9 Mt Jewell project area

The Mt Jewell prospects (Tregurtha, Hughes and Top) and mineral tenements were acquired by Norton from Kal North for A$1.8 million in November 2014. The sale included eight exploration licences (E24/156, E24/149, E24/157, E24/171, E27/300, E27/333, E27/404 and E27/422) and three Prospecting Licences (P24/4233, P24/4234 and P27/2019).

Figure 3.30 is an aerial photograph showing the drillhole plan with previous drillholes and 2012 drillholes at the two main prospect areas, Tregurtha and Hughes (with orebody models).

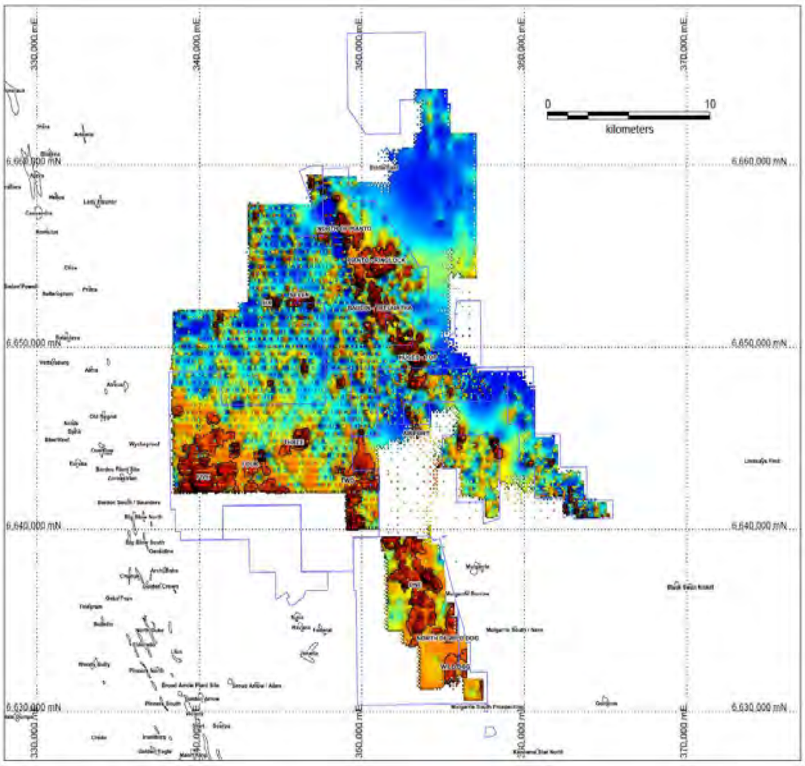
Figure 3.30 Mt Jewell prospects, Tregurtha and Hughes



Source: Norton

Figure 3.31 is a surface geochemical map of the Mt Jewell area showing the two or three northwest anomalous trending zones (in red) based on soil ager samples with potential for the discovery of other gold deposits.

Figure 3.31 Mt Jewell surface (soil auger) geochemical map



Source: Norton

Table 3.5 shows the Mt Jewell Mineral Resources (constrained by A$2,000/ounce Whittle pit shell). Of note is that when Norton acquired the Mt Jewell Project, the Resources were quoted at the time as 275 Koz (unconstrained). Norton has applied a realistic open cut shell to constrain the resources and have reduced them to 134 Koz.

Table 3.5 Mt Jewell Mineral Resources (Norton constrained resources)

Deposit	Measured			Indicated			Inferred			Total		
	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz
Hughes	-	-	-	1.90	1.16	71	0.01	0.89	1	1.91	1.16	71
Tregurtha	-	-	-	1.21	1.58	62	0.03	1.43	1	1.24	1.58	63
Total	**-**	**-**	**-**	**3.11**	**1.32**	**132**	**0.04**	**1.37**	**2**	**3.15**	**1.32**	**134**

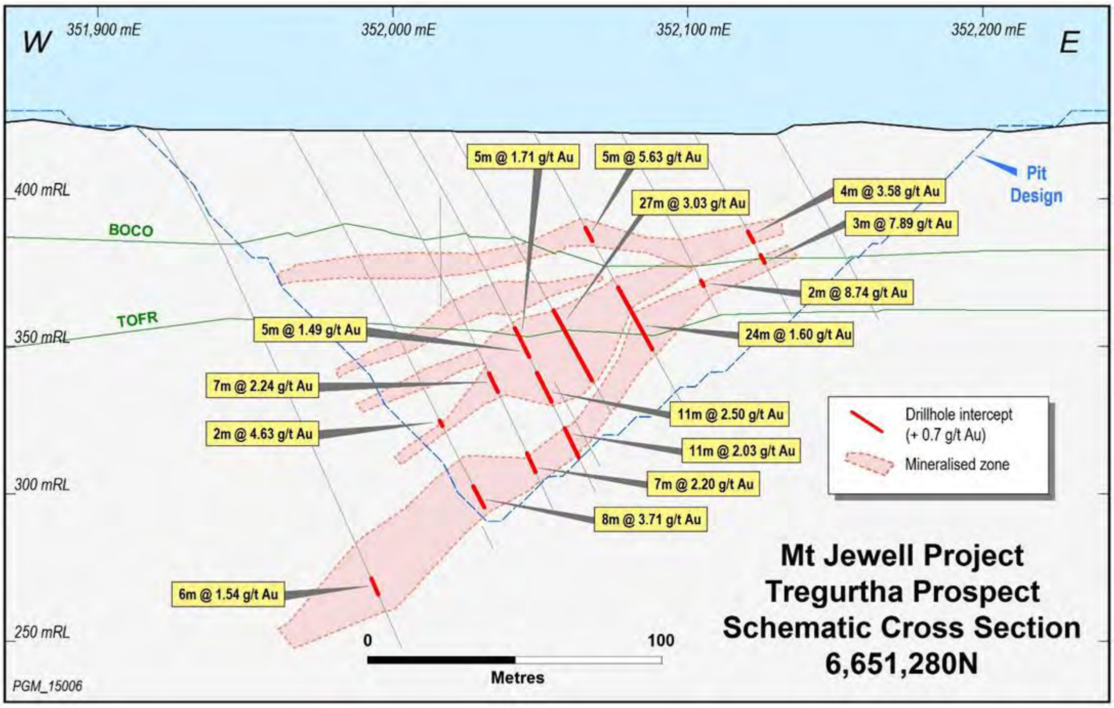
Source: Norton

Tregurtha and Hughes are reportedly ready to be mined with more than 50,000 ounces in Reserves.

3.9.1 Tregurtha Prospect

Figure 3.32 is a schematic cross-section at 6,651,280N of the Tregurtha Prospect, showing drill intercepts (+0.7 g/t Au) and pit design.

Figure 3.32 Tregurtha Prospect – schematic cross-section 6,651,280N

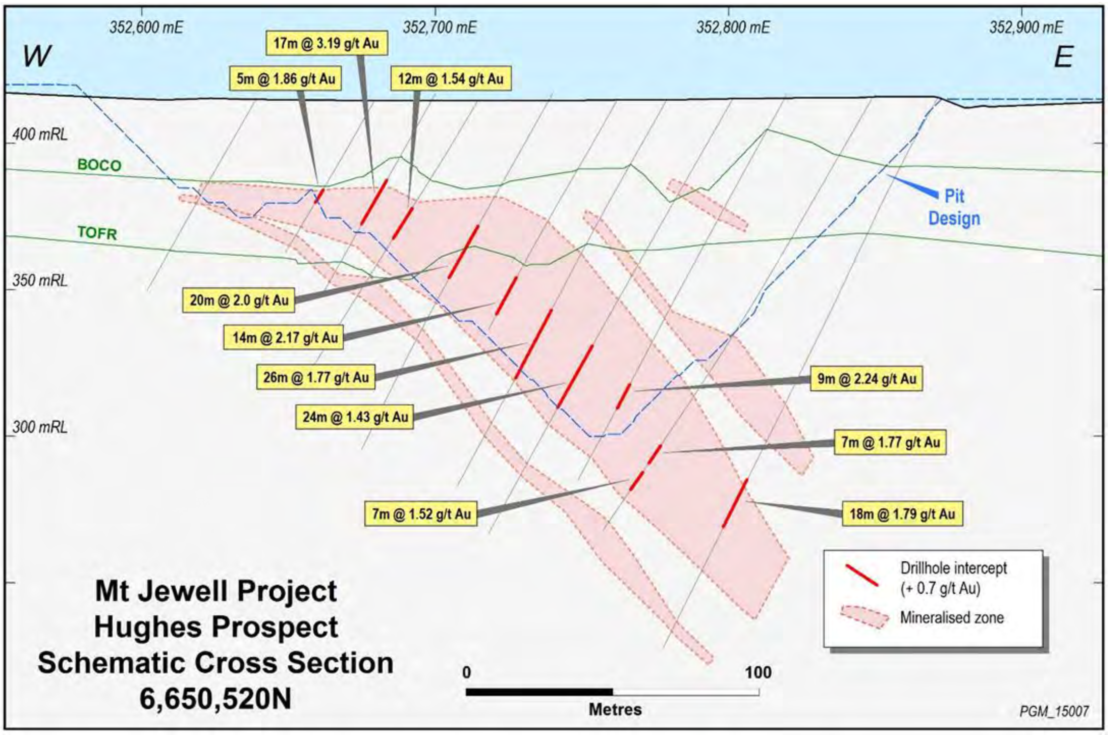


Source: Norton

3.9.2 Hughes Prospect

Figure 3.33 a schematic cross-section at 6,650,520N of the Hughes Prospect, showing drill intercepts (+0.7 g/t Au) and pit design.

Figure 3.33 Hughes Prospect



Source: Norton

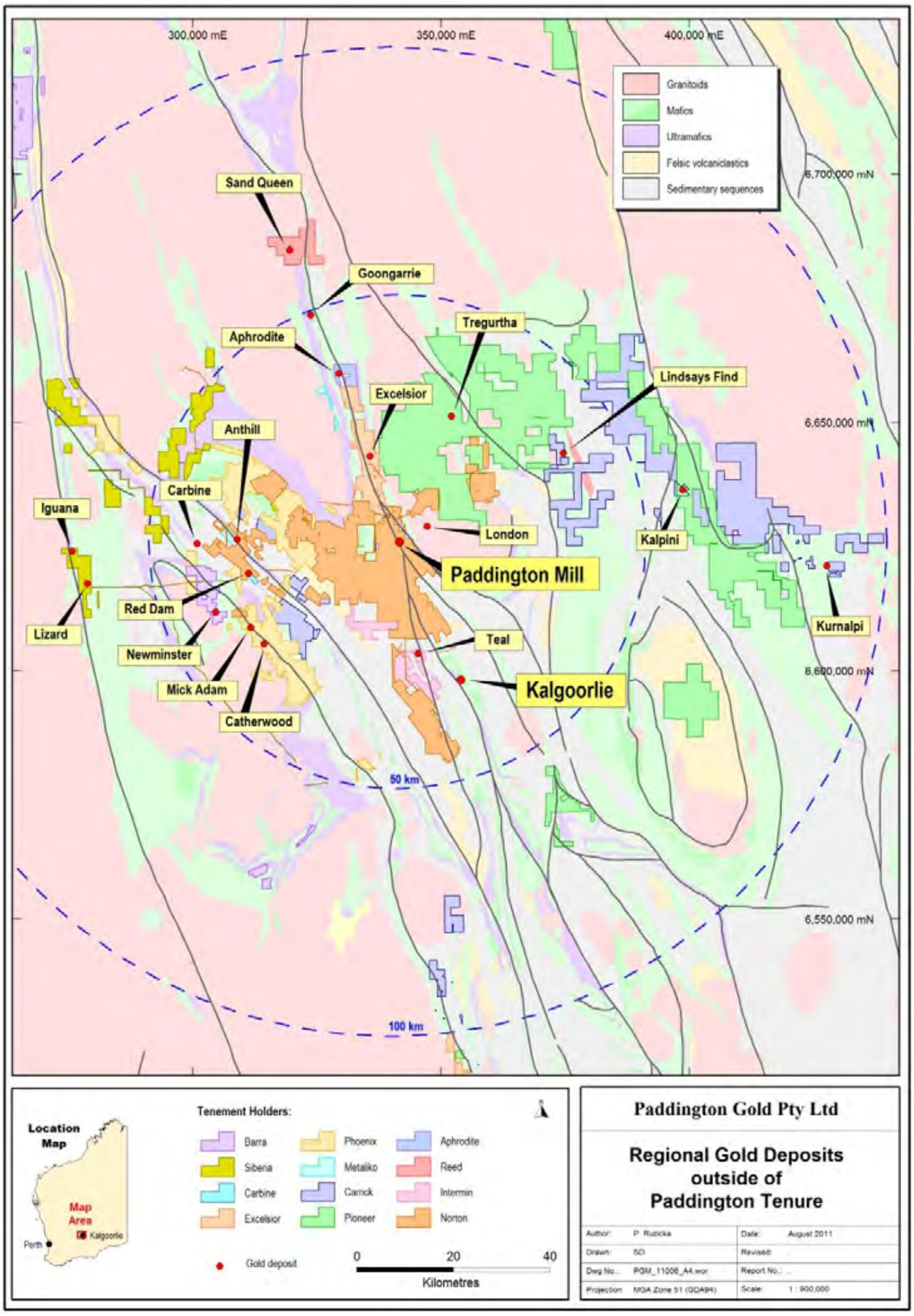
3.10 Stockpiles

A total resource of 3.43 Mt at 0.72 g/t Au is reported in stockpiles at 31 December 2014 consisting primarily of low grade and mineralised waste adjacent to mined open pits. Of this a total of 1,480,742 t at 0.94 g/t Au is reported as Proved and Probable Reserves. This material is generally soft ore and is used to blend with harder ore at the Paddington Mill.

3.11 Other Regional Gold Deposits

Figure 3.34 is a map of the Paddington region showing gold deposits held by other companies within range of the Paddington Mill, the majority being within a 50 km radius. These deposits may be available to be acquired, toll treated or joint ventured by Norton in future. Norton has an extensive network of private haul roads that can be used to transport ore to the mill.

Figure 3.34 Other regional gold deposits within range of Paddington Mill



Source: Norton

3.11.1 Unclassified resources

Norton has additional unclassified resources that have been identified throughout the project area, based largely on older widely spaced drilling results (pre JORC Code), which have not been subjected to rigorous quality assurance and quality control ("QAQC") procedures. There are also unclassified resources below open pit resources which are too low grade to be mined by open pit or underground methods. These resources have not been reported but are considered part of the exploration potential of the Paddington Gold Project area.

3.12 Mining operations

3.12.1 Enterprise

Enterprise was originally mined in the 1980s by BHP Gold as part of its Ora Banda operations, and has been redeveloped by Norton. Snowden inspected the Enterprise open pit and observed the completed Stage 1 and preliminary production and pre-stripping associated with the Stage 2 and Stage 3 expansions. Stage 3 is based on the current pit shell returned by aA$1,400 gold price.

There is a conceptual Stage 4 pit, based on a higher gold price, and a conceptual underground project. The orebody is a south plunging (30° to 225°) brittle stock work in dolerite, fault bound to the north and south east-west trending faults. There is little oxide development and the mineralisation is bound at its upper surface by a very hard silicified sedimentary cap, which has impeded stripping in this area and precludes gravity-caving methods for any underground mine.

Figure 3.35 is a photograph of the Enterprise Open Pit, Stage 2 and Stage 3 pit (looking south). Stage 1 pit has been completed.

Figure 3.35 Enterprise Stage 2 and Stage 3 pit (looking south)

Source: Snowden, 2015

The grade returned by the pit is around 2 g/t Au for Stage 2 and Stage 3. The geometry of the deposit results in extensive stripping before the orebody is intersected and an uneven ore production schedule. Stage 2 is scheduled to be completed in September or October 2015, for 100,000 oz of gold and Stage 3 is to return a further 100,000 oz on completion in 2017.

Metallurgical recovery is in the order of 83%, being impeded by the presence of fine gold encapsulated by pyrite in the ore.

The pit runs two fleets of trucks, a fleet of CAT793's serviced by an EX3600 for waste stripping and a fleet of CAT 777's serviced by an EX1900 for production. This allows capitalisation of the pre-stripping for each stage. Grade control is undertaken by dedicated RC) drilling on a 12 m x 8 m pattern with blast movement monitoring enabling acceptable reconciliation, according to Norton staff. There is reportedly fibrous mineral (amphibole) development in the overburden around the faults necessitating the wearing of dust masks in the pit. The waste dump has been designed to encapsulate this and any potentially acid forming waste.

Snowden observed no complexities with the mine or waste dump design. There has reportedly been minor slippage in oxide overburden walls, but Snowden saw nothing that impedes with the mine schedule or the mining costs attached to the schedule.

3.12.2 Wattlebird

The Wattlebird pit operation is in the Bullant area near the Bullant underground mine and shares some facilities with that operation. The pit is scheduled to be completed in April 2015, and Norton staff advises that there are several options to replace its production, which is considered essential to the strategic metallurgical feed for the Paddington Mill, of 70% fresh material and 30% oxide. Snowden comments that, while there may be a number of available options, it appears to be critical that this question be answered as soon as practicable in order to maintain the strategic mill feed.

The mineralisation comprises mineralised quartz veins developed in sheared pillow basalt between two ultramafic units and site geologists consider this to be analogous to that mineralisation encountered underground at Bullant East. The mine was originally designed as a two-phase development, but a wall failure along a 40 degree dipping fracture (joint) on the haul road forced a rescheduling and redesign of Phase 2 to maintain production while recovering the Phase 1 section of the pit sterilised by the slip (see Figure 3.36). Snowden acknowledges the ingenuity of Norton's engineers in recovering the situation.

The pit produces between 20,000 and 40,000 tonnes of oxide ore per month at an average grade of around 1.2 g/t gold. The production rate and grade are anticipated to increase as the slip recovery is completed and the pit approaches its final months. Mining is undertaken by a dry-hired fleet of CAT777 trucks serviced by an EX1600, with an anticipated move to smaller articulated trucks in the final months of the operation. Dedicated RC grade control is conducted on an 8 m x 4 m pattern, more broadly spaced in wider zones of basalt and augmented by good visual grade control of the mineralisation.

Snowden observed nothing to indicate impediment of the slip recovery schedule or mine cost estimates other than to comment that it appears imperative that a replacement source of oxide material be committed to as soon as possible.

Figure 3.36 Wattlebird open pit wall failure

Source: Snowden, 2015

3.12.3 Homestead underground mine

Homestead has historically exploited a shear system developed in basalt, mined on nominal 15 m levels using a derivative of the Avoca method and cemented waste fill. The waste filling technique is novel and involves cement being mixed at the tipping point in a loader bucket allowing rapid turnaround of stopes. More recently discovered splays to the system (Black Flag and Henning) have increasingly contributed to the production of around 18,000 tonnes per month. The mineralisation occurs in shoots and appears to have a rheological and lithological control related to the iron content of the basalt, resulting in a “spotty dog” grade distribution. Snowden observed that the mine personnel are acutely aware of “pay runs” against development.

Mine access is via a common portal, servicing a twin decline, one decline devoted to ventilation. The historically mined levels have exploited the steeply easterly dipping (85°) northern VN03 system and the southern VN01 system, the shear striking around 010°. This system is expected to continue down plunge. The Black Flag Vein occurs as a moderately dipping (65°) splay striking 100°, to the east of VN01/VN03 and Henning Lodes as a further ladder-vein developed on a shear splay to Black Flag, striking around 120°.

Black Flag has been in production for some time and the Henning Lode has only recently been intersected by development. Both these deposits were discovered through a combination of intersection by development and re-orientation of drilling. Snowden observed underground drilling contractors working on a program to better define the Black Flag and Henning Lode resources, as these areas are expected to provide the bulk of the Homestead underground production in the medium term.

Snowden observed nothing in the mine that would impede the productivity and cost assumptions observed in Norton’s schedule and is impressed by the mindfulness of underground mine economics demonstrated by mine staff. The Black Flag and Henning developments are relatively recent, with Black Flag being reasonably well developed, but Henning will require careful drilling and mine planning, as a new development. This is particularly the case given the observed nature of the mineralisation.

Snowden considers the Homestead Resources to be competently estimated and mindful of mine economics. It is unclear what proportion of these Resources will be included in a Reserve or mining inventory, but Snowden notes that despite production, the Resource ounce-inventory has been depleted by 100,000 oz in 12 months, indicating exploration success adding more tonnes, albeit at a lower grade.

3.12.4 Bullant

The Bullant mine was acquired from KMC in 2013 and has subsequently been extensively redeveloped by Norton. Mineralisation is developed in a biotite altered shear in basalt and is exploited to 600 m depth at 18 m to 23 m level intervals using similar methods to that at Homestead, with the variance being that Bullant utilises upholes rather than downholes. The production rate is around 10,000 t per month and Snowden observed a developed appreciation of mine economics amongst the mine staff.

The mine shares infrastructure with the Wattlebird pit and there is reportedly scope for further development of underground resources in the Wattlebird area utilising the same infrastructure. Grade control at Bullant is somewhat more difficult than at the other deposits, as the biotite alteration provides the only indication of mineralisation and the tenor of the gold grade is indicated solely by assay.

Underground drilling is commencing to define and possibly develop the next 300 m of down-plunge mineralisation. Snowden surmises that the conventional truck haulage system may present excessive haulage costs at this depth, but the mine is actively developing other vein systems; the reportedly patchy East Lode and the Cross Lode. Encouragingly, significant volumes of remnant ore are being exploited at shallower depths, this material being left behind by previous operators.

Norton has expended the Resource inventory in the last 12 months and while it is unclear how much of this inventory will convert to Reserves; the trend is encouraging for the future of the operation.

Snowden did not observe anything that may impede the short to medium term productivity of the Bullant underground, but cautions that beyond remnant mining and the East and Cross lodes, the increasing depth of the mine presents an economic challenge.

3.13 Geotechnical

Snowden has not reviewed the geotechnical issues in detail but consider that those that have occurred, such as pit wall failures have been well managed by site operations. Currently the underground operations are not showing signs of significant seismic activity.

3.14 Metallurgical

Snowden did not conduct a metallurgy site visit to either the Paddington Mill or the Mount Morgan Mine site during the development of this review of the operation of the Paddington Mill and the planned development of the Mount Morgan Project. Snowden did however conduct a metallurgy site to the Paddington operations during 2011 and have been assured by process staff that no significant modifications or plant upgrades have occurred since 2011. Snowden was assured that the process plant has been well maintained and operated during this period.

It should further be noted that the only Mount Morgan metallurgical data made available to Snowden was from the public domain, which may be supported by existing third party testwork data and reports, however Snowden was not given access to these data and reports and cannot, as a result, confirm the accuracy or validity of the claimed recoveries, capital and operating costs.

3.14.1 Paddington Mill

The Paddington Mill was constructed in 1985 and subsequently upgraded to its current name plate capacity of 3 Mtpa. Norton took over the Paddington operations as a going concern in August 2007. The plant processes ore from conventional open cut and underground mines plus older low grade stockpiles through a conventional carbon-in-pulp ("CIP") operation. While the nameplate capacity is 3.3 Mtpa, and has been producing up to 3.7 Mtpa. The Paddington Mill operates 24 hours a day, 365 days a year with most operating staff residing in Kalgoorlie.

The Paddington Mill receives a blended feed, where gold occurs primarily as coarse gold that can be recovered using gravity methods and/or direct cyanide leaching. Some fine gold is locked in sulphide and silicate gangue minerals.

3.14.2 Plant performance

Figure 3.37 and Figure 3.38 show historical performance of the Paddington Mill from January 2011 to December 2014. Milling for the period averaged around 890,000 t (dry) per quarter and production has been reasonably consistent over the period of time. The grade has averaged about 1.51 g/t Au and recovery about 92.5% for the last four years. The utilisation averages just over 93% and reflects commitment by management and staff as well as good maintenance at the Paddington Mill. For the quarters from mid-2013 to the end of 2014 gold recovery has fallen from the previous average of just under 94% to around 90%, with the last three quarters of 2014 showing recoveries of below 90%. This occurred in spite of higher Au grades in the gold ore milled and is most likely the result of increased production rates and some inherent process inefficiencies due to older processing and process control equipment, as well as process bottlenecks at the higher production rates. It is envisaged that the mill upgrade planned for 2015 will address some of these issues.

Figure 3.37 Paddington Mill historical performance – tonnes milled and feed grade

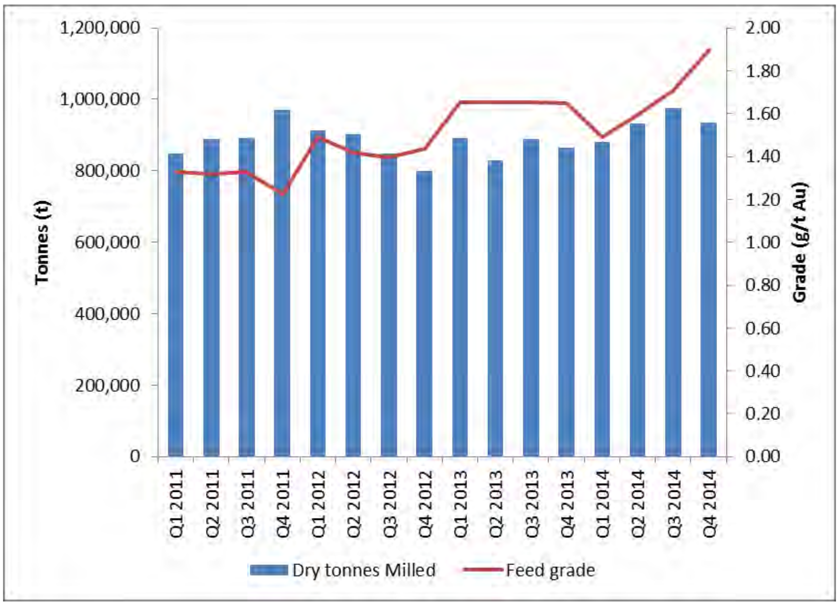
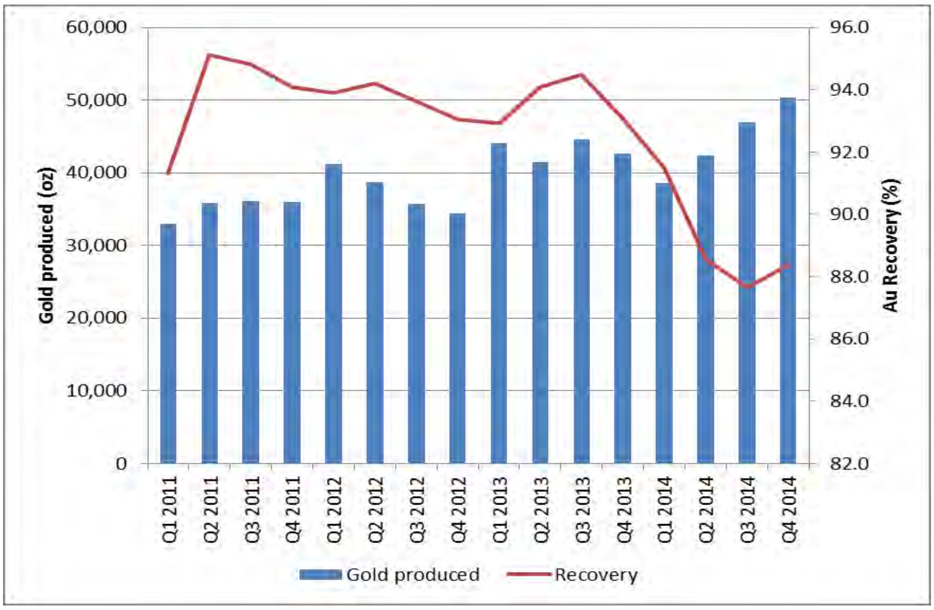


Figure 3.38 Paddington Mill historical performance – gold produced and recovery



3.14.3 Recent gold production

Table 3.6 shows the Paddington Mill historical performance data on an annualised basis for the last four years. It can be seen that recoveries were reduced during 2014, which is most likely influenced by the increased mill throughput reducing residence times and thus affecting recovery.

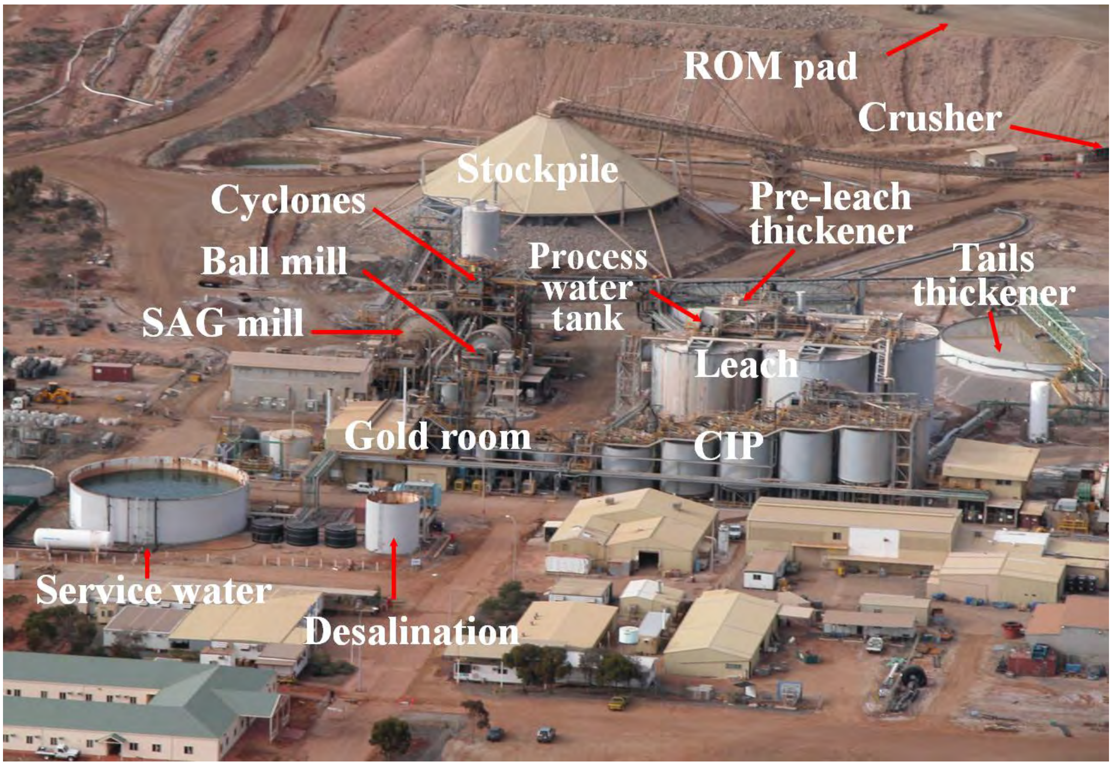
Table 3.6 Paddington Mill – Annual historical performance data

		March quarter	June quarter	September quarter	December quarter	Total
2011						
Dry tonnes milled	Kt	847	889	892	971	**3,599**
Grade	g/t	1.33	1.32	1.33	1.22	**1.30**
Au produced	Koz	33.0	35.9	36.1	35.9	**140.9**
Au recovery	%	91.3	95.1	94.8	94.1	**93.83**
2012						
Dry tonnes milled	Kt	914	902	848	800	**3,464**
Grade	g/t	1.49	1.42	1.40	1.44	**1.44**
Au produced	Koz	41.1	38.8	35.7	34.4	**150.0**
Au recovery	%	93.9	94.2	93.6	93.1	**93.70**
2013						
Dry tonnes milled	Kt	891	828	889	865	**3,474**
Grade	g/t	1.65	1.65	1.65	1.65	**1.65**
Au produced	Koz	44.1	41.5	44.6	42.6	**172.7**
Au recovery	%	92.9	94.1	94.5	93.1	**93.64**
2014						
Dry tonnes milled	Kt	880	933	976	935	**3,725**
Grade	g/t	1.49	1.59	1.71	1.90	**1.67**
Au produced	Koz	38.6	42.3	46.9	50.4	**167.3**
Au recovery	%	91.5	88.6	87.7	88.4	**89.02**

3.14.4 Processing stages

The Paddington Mill uses conventional crushing and grinding (open circuit SABC); cyanide leaching, CIP adsorption, Zadra elution, gravity concentration gold recovery (with a Knelson concentrator and Acacia intensive leaching reactor), electrowinning and smelting. The Paddington process plant layout is shown in Figure 3.39, photographed in 2012.

Figure 3.39 Paddington Mill layout



Source: Snowden, 2012

ROM pad and primary crushing

Ore is delivered to the Paddington run of mine ("ROM") pad by contract haulage, where it is arranged on source-specific fingers. ROM material is fed to a gyratory crusher (Allis Chalmers 42" x 65", 300 kW, crusher gap 110 mm closed setting) shown in Figure 3.40, in order to reduce the ore particle size to a P80 of approximately 120 mm. The capacity of the crusher is up to 1,000 tonnes per hour ("tph") and operates for only 16 hours or less per day. The crushed ore is stockpiled on a 30,000 t capacity (8,000 t live capacity) stockpile. Three variable speed feeders draw ore from the base of the stockpile, with the choice of having hard, medium and soft ore from each of the feeders to make an appropriate blend for the SAG mill.

Figure 3.40 Paddington Mill, crusher

Source: Snowden, 2012

Grinding

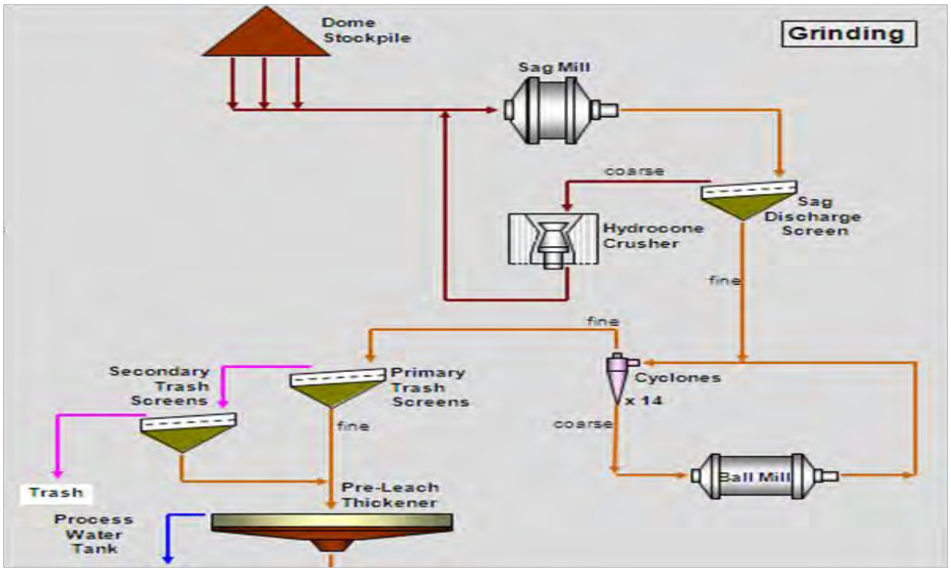
Ore and quick lime added to the ore conveyor is fed to the SAG mill at a rate of 350 tph to 480 tph. The SAG mill (Morgardshammer, 8.0 m x 3.95 m, 3.8 MW, fixed speed) uses 125 mm diameter balls as grinding media at an average 10% to 12% charge volume. Water is added to the mill to keep a charge density of 60% to 85%. The SAG mill discharge screen size is 8 mm. The -8 mm stream is diverted to a cluster of cyclones. Material at +8 mm from the SAG mill discharge screen is sent to a pebble crusher (Hydrocone H6000 Pebble Crusher, nominal gap 8 mm to 12 mm) at a feed rate of 40 tph to 90 tph. The P80 of the feed to the pebble crusher is approximately 60 mm while the P80 of the pebble crusher product is 15 mm to 20 mm. The pebble crusher product is fed back to the SAG mill.

The grinding circuit has a cluster of 14, 500 mm Cavex Cyclones (130 mm polyurethane vortex, 102 mm ceramic spigot). Eight of these cyclones are used at any one time. The cyclone feed rate is 1,600 m^3/h to 2,000 m^3/h and the feed densities are nominally 60%. The operational pressure is 180 kPa to 200 kPa. Cyclone overflow and underflow densities are 33% to 37% and 74% to 78% respectively. The cyclone overflow is passed over a linear trash screen to a pre-leach thickener, while the cyclone underflow feeds the gravity circuit and the ball mill.

The cyclone overflow is fed to a ball mill (rubber lined Marcy ball mill, 5.03 x 8.50, 3.8 MW, fixed speed). Density of the charge is kept at 74% to 78% by water addition. Balls (65 mm diameter) and recycled SAG mill balls are used as the grinding media, whose levels are kept at around 33% of charge volume. The size of the ore is reduced to a P80 of less than 106 µm. The ball mill discharge trommel screen size is 10 mm.

The grinding circuit flowsheet is shown in Figure 3.41 and the ball and SAG mill is shown in Figure 3.42.

Figure 3.41 Grinding circuit flowsheet



Source: Norton

Figure 3.42 Ball and SAG mill

Source: Snowden, 2012

Gravity recovery of coarse gold

The recirculating coarse material in the grinding circuit is treated by gravity concentration using four centrifugal Knelson concentrators (30" centre discharge (G6), 30 minute to 60 minute dump cycle) shown in Figure 3.43. The circuit has 2.5 mm panel screen to exclude the coarse material from the gravity feed. The feed rate is around 125 tph and about 4 t of concentrate is produced daily.

Figure 3.43 Knelson concentrators

Source: Snowden, 2012

Intensive cyanidation

An Acacia intensive cyanide leach unit (CS3000) (Figure 3.44) is used to leach Knelson concentrates. The processing rate is 2 t to 4 t per 24 hours, with a leach residence time of 8 hours to 10 hours. The leach solution is made up of 5% cyanide, 0.1% LeachAid and 1% caustic. The pregnant solution from leaching is electrowon (for around 22 hours) in a dedicated electrowinning cell. The Acacia reactor leach efficiency varies from 80% to 99%. Overall recovery from the gravity circuit (Knelson plus Acacia) is 20% to 35%.

Figure 3.44 Acacia reactor

Source: Snowden, 2012

Cyanide leach

Fine gold not recovered by gravity is leached in an alkaline cyanide solution. The feed slurry is thickened to 50% to 52% solids in a 30 m high rate pre-leach thickener. The cyanide concentration is maintained at around 200 mg/L to 300 mg/L and the dissolved oxygen at 10 mg/L to 20 mg/L. Oxygen is produced by a 3 tonnes per day ("tpd") pressure swing oxygen plant. The leach circuit has one leach tank with 6 hours of residence time and three carbon in leach ("CIL") tanks with 18 hours of residence time. Figure 3.45 shows the cyanidation tanks.

Figure 3.45 Cyanidation tanks

Source: Snowden, 2012

Carbon adsorption

After leaching and CIL, the slurry is pumped to two parallel trains of five smaller CIP tanks (360 m^3 each), which are used purely for carbon adsorption. The carbon concentration in the tanks is kept at 8 g/l to 12 g/l, with a total residence time of around 6 hours to 8 hours per train. The total carbon residence time is approximately 10 days and the average carbon loading is 1,000 g/t Au. The total carbon inventory is 130 tonnes to 150 tonnes. Loaded carbon is screened over a 0.63 mm screen into acid wash tanks. Slurry leaving these tanks is not treated again and is disposed of as tailings. Carbon adsorption tanks are shown in Figure 3.46.

Figure 3.46 Carbon adsorption tanks

Source: Snowden, 2012

Elution

Two batch Zadra pressure elution circuits each capable of processing 7 t of carbon per day are used in the elution stage. Carbon is initially soaked in cold 3% to 4% hydrochloric acid (HCl) solution for the removal of cations. The elution circuits run at a temperature of 135°C and a pressure of 400 kPa. The elution solution is made up of 3% caustic and 1% cyanide. The residence time in the elution stage is 18 hours. The barren solution from the elution has less than 20 mg/L gold, whereas the barren carbon has less than 80 g/t gold.

Carbon regeneration

Barren carbon is regenerated in a 500 kg/hr horizontal kiln (Ansac) at 680°C to 700°C. Regenerated carbon is sent to the last tank in the CIP. Figure 3.47 shows the elution and carbon regeneration circuit.

Figure 3.47 Elution and carbon regeneration circuits

Source: Snowden, 2012

Electrowinning

There are four electrowinning cells. One of the cells is used for electrowinning of gold from the Acacia reactor pregnant leach solution, while the remaining three cells (currently only two cells) are used in the electrowinning of gold from the elution stage loaded solution.

Smelting

Electrowinning sludge is dried and then smelted into doré bars containing approximately 65% to 90% gold and 9% to 25% silver. These bars are transported to the Perth Mint Refinery to be refined to a purity of 99.99% gold. The process plant flowsheet for ore is shown in Figure 3.48. The flowsheet for the gold room and carbon area is shown in Figure 3.49.

Figure 3.48 Paddington Mill – ore flowsheet

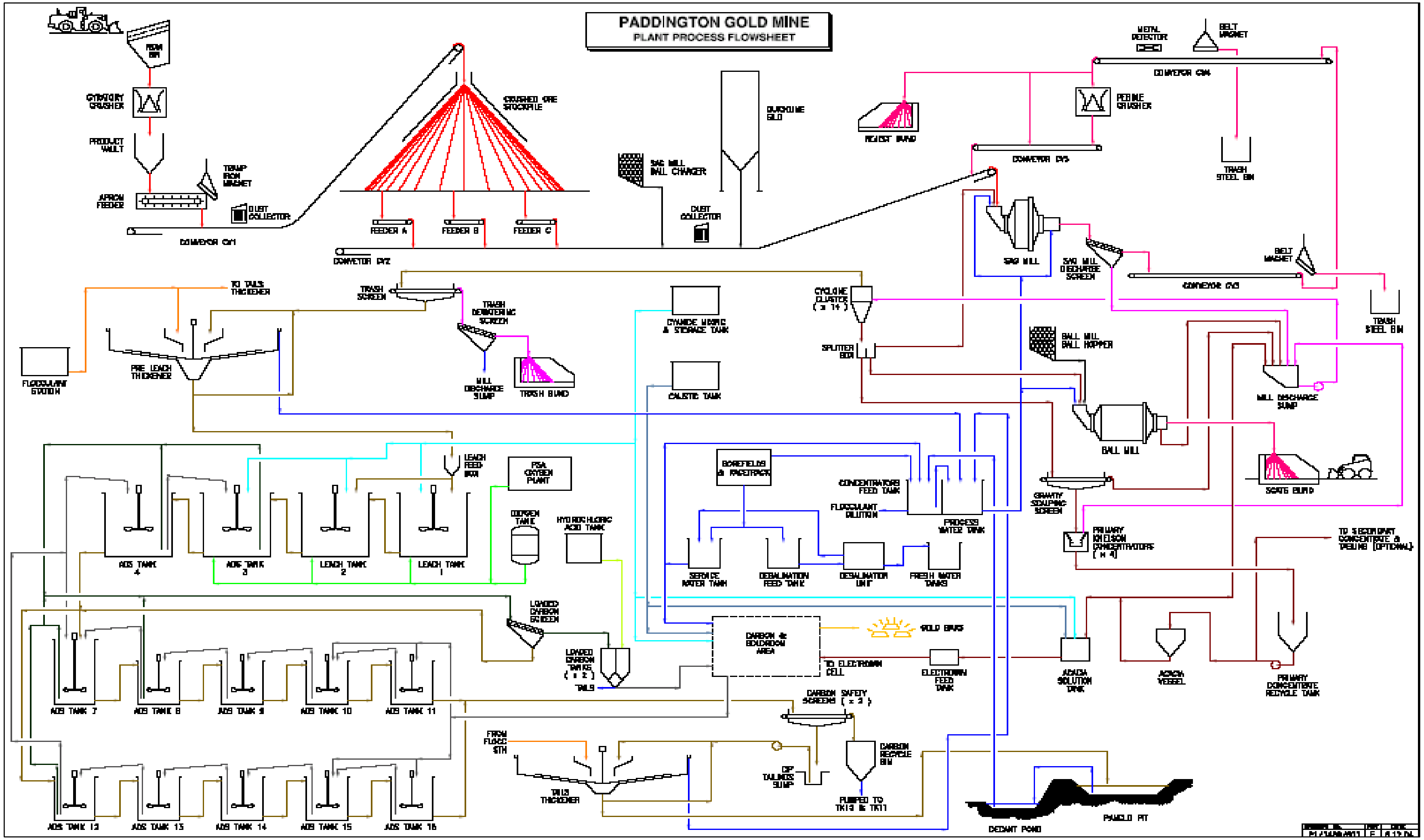
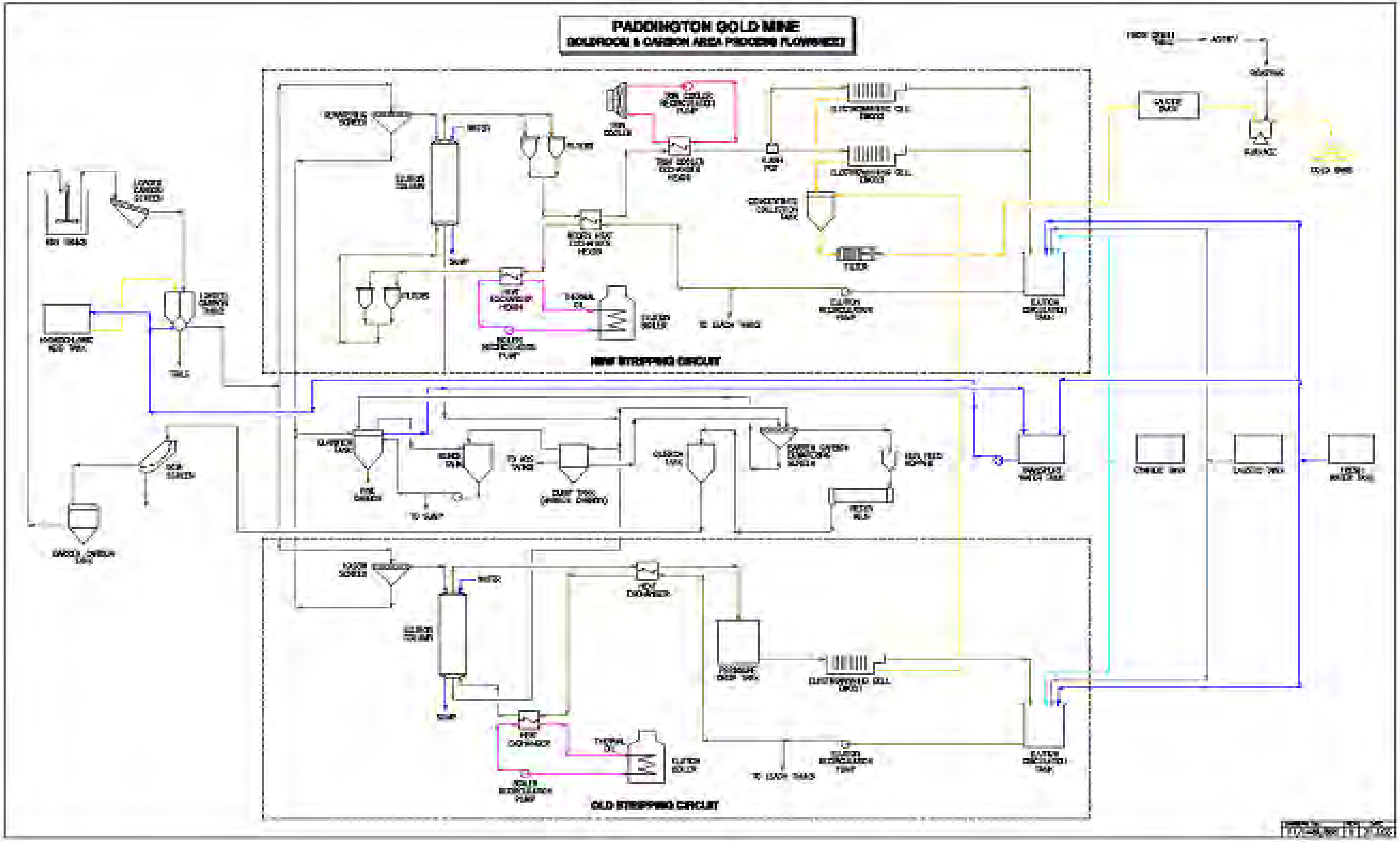


Figure 3.49 Gold room and carbon area flowsheet



Tailings disposal

CIP tails are passed over two linear carbon safety screens. The tailings slurry is thickened in a 30 m high rate tails thickener, and then pumped to an in-pit tailings facility approximately 5 km from the plant (Figure 3.50). The pit water is returned back to the plant. Also, good quality rain water with low total dissolved solids ("TDS") is available from the Racetrack pit and an on-site water desalination plant is available for the plant. The current tailings storage pit has more than 10 years remaining capacity.

Figure 3.50 Paddington tailings storage facility

Source: Snowden, 2012

3.14.5 Process operating costs

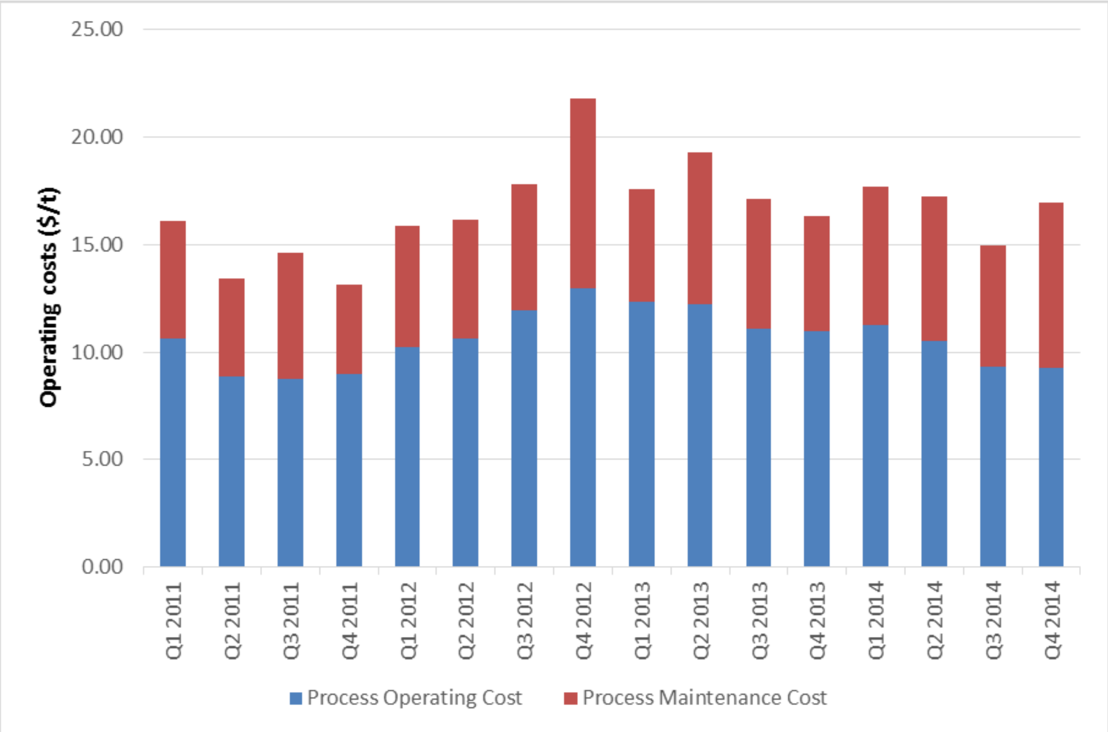
The process operating costs for the past four years are shown in Table 3.7 and Figure 3.51. For the four years reviewed, the average total process operating cost was A$16.63/t of ore milled, which is somewhat higher than other mills operating at similar capacity, with the average usually between A$10.00/t and A$12.50/t. Of concern is the high maintenance cost, which may be ascribed to the mill having been in operation for about 30 years.

Snowden understands that a current Mill upgrade project is scheduled to start during the second quarter of 2015, with a plant upgrades and modifications to resolve some of the issues identified as contributing to the high operating costs. It is currently envisaged that the upgrade will increase capacity to approximately 4.0 Mtpa and decrease the total process operating costs by approximately A$2.00/t ore milled. Although this will already lead to a considerable saving of approximately A$8 M in total annual operating costs, Snowden believes that the estimated operating costs savings are too conservative and additional saving should be aggressively pursued to further reduce the total operating costs to around A$12.50/t.

Table 3.7 Paddington Mill – historical process operating costs

		March quarter	June quarter	September quarter	December quarter	Total
2011						
Process operating costs	$/t	10.61	8.86	8.76	8.97	9.30
Process maintenance costs	$/t	5.47	4.58	5.89	4.18	5.03
Total process opex	**$/t**	**16.08**	**13.44**	**14.65**	**13.15**	**14.33**
2012						
Process operating costs	$/t	10.25	10.64	11.93	12.99	11.45
Process maintenance costs	$/t	5.62	5.54	5.88	8.83	6.47
Total process opex	**$/t**	**15.87**	**16.18**	**17.81**	**21.82**	**17.92**
2013						
Process operating costs	$/t	12.34	12.20	11.07	10.99	11.65
Process maintenance costs	$/t	5.25	7.07	6.04	5.31	5.92
Total process opex	**$/t**	**17.59**	**19.27**	**17.11**	**16.30**	**17.57**
2014						
Process operating costs	$/t	11.24	10.49	9.32	9.25	10.07
Process maintenance costs	$/t	6.45	6.76	5.65	7.70	6.64
Total process opex	**$/t**	**17.69**	**17.25**	**14.97**	**16.95**	**16.71**

Figure 3.51 Paddington Mill – historical process operating costs



Source: Norton

The current Strategic LOM schedule has applied reduced process operating costs from 2016 onwards, with the initial costs forecast as A$16.30/t and then reducing to A$14.30/t in 2016. This is a considerable improvement on process operating costs made available to Snowden during a review in 2011, which forecast process operating costs to increase to more than A$20/t during 2018.

3.14.6 Process recoveries

Historical process recoveries can be seen in Section 3.14.2 on plant performance, with Figure 3.38 showing the recovery over the past four years. It is noted that recoveries have trended downward during 2014, most likely due to higher throughput reducing the operational efficiency of the process. It can however be seen from the forecast throughput and recoveries from the current strategic LOM plan, as shown in Figure 3.52, that the downward trend in recoveries is expected to continue. Snowden has not had the opportunity to review the causes of the expected decrease, but it is likely due to a number of factors, including increasing complexity of the ores mined, refractory nature of some of the ores to be treated through an alternative processing route and lower grade orebodies, possibly treated via a heap leaching process rather than a conventional CIP process.

Figure 3.52 Norton Gold Fields – forecast throughput and recovery

Source: Norton

It should be noted that the forecast throughput shown in Figure 3.52 can clearly not be treated in the existing mill and will require additional processing capacity to be installed in line with the forecast increase in throughput.

3.14.7 Manning

A manpower schedule for the Paddington operation was not reviewed, but based on anecdotal evidence opportunities may exist to reduce operating costs further by optimising manpower scheduling and use of operating personnel. Snowden cannot comment on the validity of this, but believes that all contributors to the high operating costs should be reviewed to maximise the benefit of any potential cost saving opportunities.

3.14.8 Snowden comments on processing

Snowden understands that an upgrade project has been created and assigned for upgrading of the Paddington Mill. Although Snowden does not have all the detail of the intended upgrade, that work is aimed primarily at:

- reduction of operating costs by at least A$2/t of ore milled
- reduction of processing bottlenecks to achieve an increase in production of between 5% and 10% to increase overall ore processing to 4 Mtpa
- upgrading of process control equipment and systems to support the reduction of the operating costs and the increase in throughput
- upgrading or replacement of equipment items found to compromise operating costs and throughput.

Snowden assumes that the upgrade will also address the expected changes in ore feed to the mill as some of the newer or deeper lying ore bodies are mined.

3.15 Total mining and processing operating costs

Norton estimates an all-in ("C3") cost of A$1,006/oz, which Snowden considers to be reasonable for Norton's mineral assets.

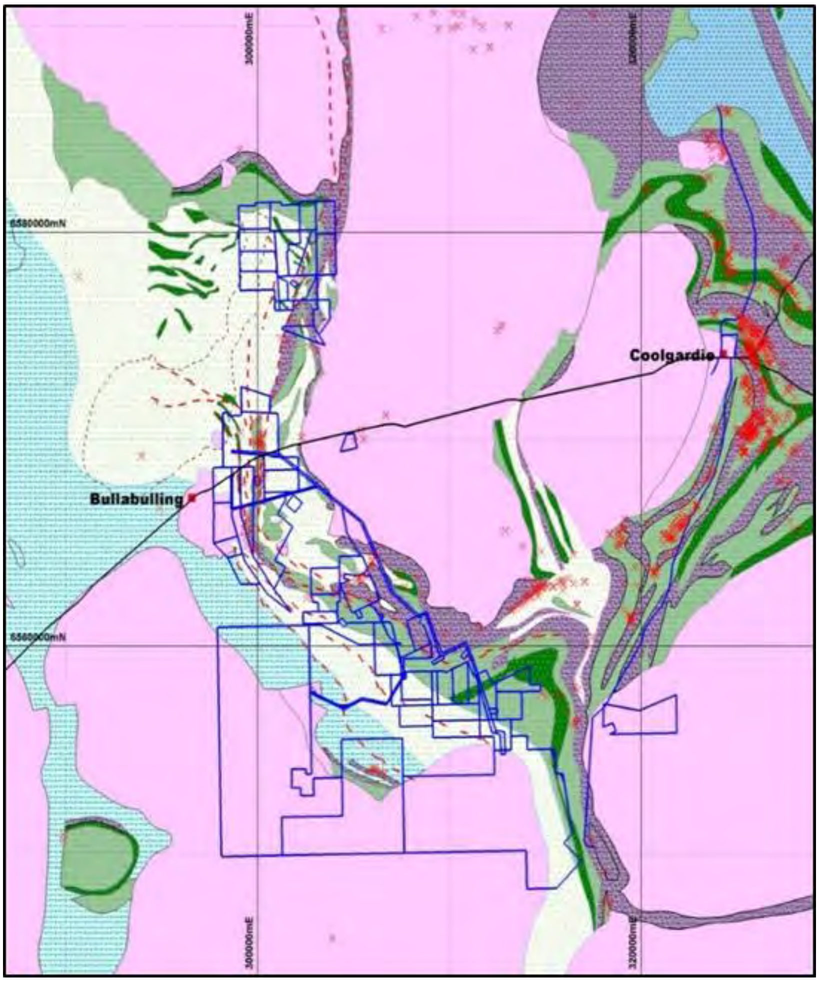
4 Bullabulling project area

4.1 Location and access

The Bullabulling Gold Project is located 70 km west-southwest of Kalgoorlie and consists of the Bullabulling Line and Gibraltar gold deposits. Based in the well-established gold mining district of Coolgardie in WA, Bullabulling is conveniently close to established power, water and road infrastructure. The licence area straddles the main Perth to Kalgoorlie highway. The Bullabulling tenement package covers a total area of 189 km^2 which is held in a series of granted mining leases, prospecting licences and exploration licences. The project is in a strategic location adjacent to Coolgardie goldfields.

Figure 4.1 shows the Bullabulling geology and tenements.

Figure 4.1 Bullabulling geology and tenements



Source: Norton

4.2 Previous work

Previous mining in the Bullabulling area occurred historically in the early 1900s, modern open cut mining in the mid-1980s through to the mid-1990s. Production ceased in 1998 with ownership of major plant and equipment transferred to Resolute Mining, a previous owner. While the large scale mining equipment was removed, Bullabulling maintained its Mining Lease status under its new owner who ran small scale production based on previously mined ore. The most recent phase of laterite mining occurred up to 2010.

A continuous mining licence provides an opportunity to fast-track the mine back into production. Additionally, there are no native title issues on the main areas due to the maintained production history.

4.3 Geology and mineralisation

The Bullabulling gold deposits are hosted by an Archaean amphibolite facies greenstone package with the dominant lithologies being mafic to ultramafic meta-volcanics and volcaniclastics, and felsic schists derived from sediments and felsic to intermediate volcanics and volcaniclastics. Mineralisation is associated with calc-silicate (diopside-carbonate-quartz-pyrite-pyrrhotite) and biotite alteration assemblages.

The geology suggests that there is potentially more gold to be discovered along the whole Bullabulling Trend and the separate Gibraltar Trend that appear to host similar commercial concentrations.

Two large mineralised trends of primary orogenic gold mineralisation have been identified:

- The north-south striking Bullabulling Trend
- The east-west to northwest-southeast striking Gibraltar Trend.

The Bullabulling Trend contains the most laterally consistent gold mineralisation and can be traced for over 6 km of strike. From north to south, it covers the following deposits and prospects – Bonecrusher, Dickson, Hobbit, Phoenix-Bourke-Wills, Bacchus, Edward and Griffin.

Gold mineralisation within the main Bullabulling Line occurs in a series of stacked north-south trending shear zones which dip shallowly to the west and extend over a strike length of 8 km. The mineralised zones can be up to several hundred metres thick and extend down-dip up to 500 m. The mineralised sequence traces folded stratigraphy to the south, with the Gibraltar deposit lying on extensions to the southeast of the main Bullabulling Line.

Exploration drilling has been undertaken primarily around the Phoenix-Bourke-Wills and Bacchus pit areas, both of which are within a concentrated 2.2 km stretch of the Bullabulling Trend.

4.4 Mineral Resources

At 30 September 2014, the Company reported an Indicated and Inferred Mineral Resource estimate of 95.35 Mt at 1.05 g/t Au (3,216,000 oz). Of this estimate, 2.18 Moz are in the Indicated Resource category at a grade of 0.99 g/t Au (Table 4.1).

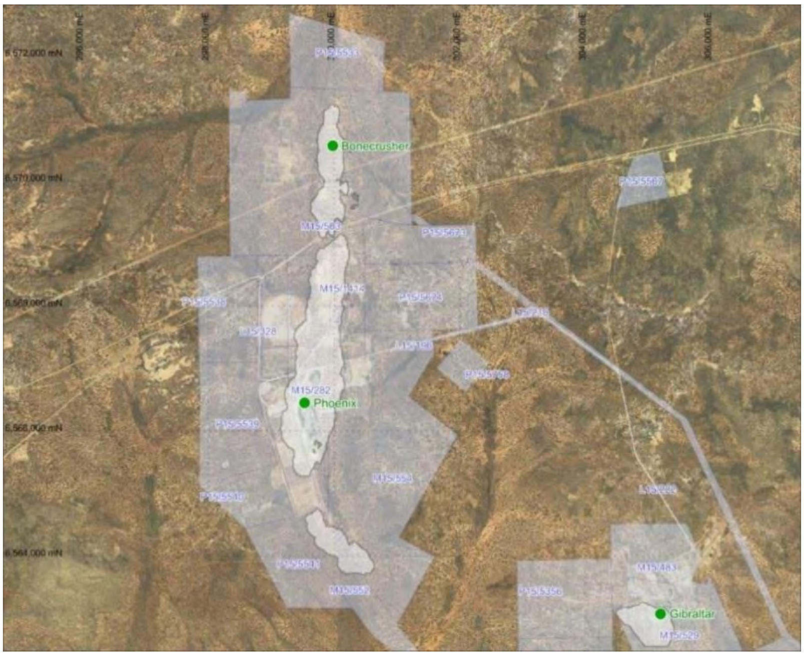
Table 4.1 Bullabulling Mineral Resource

Mineralisation type	Cut-off (g/t Au)	Class	Tonnes (Mt)	Gold grade (g/t)	Contained ounces
Bullabulling Trend	0.5	Indicated	68.53	0.99	2,181,000
	0.5	Inferred	23.08	1.21	898,000
Gibraltar	0.5	Inferred	3.74	1.14	137,000
Total			**95.35**	**1.05**	**3,216,000**

The Bullabulling Trend Resource is quoted for blocks with a grade of greater than 0.5 g/t and the impact of barren pegmatite dykes has been modelled geologically, with 35 Mt of pegmatite dykes excluded from the Resource estimate.

Figure 4.2 is an aerial photograph of the Bullabulling project area showing the tenements and gold deposits at Bonecrusher, Phoenix-Bourke-Wills and Gibraltar.

Figure 4.2 Bullabulling project area



Source: Norton, Bullabulling

4.5 Future plans

Development options for the Bullabulling Project are currently being evaluated. A Feasibility Study ("FS"), which is scheduled for completion in late 2015, is expected to reveal further improvement in the Bullabulling Gold Project's development plan and economics. According to the LOM plan, construction of the plant is scheduled to start before 2016, with commissioning currently scheduled for 2018. The project aims to treat 7.5 Mtpa of ore in what is understood to be a conventional mill and CIP circuit, however potential heap leaching may also be considered. Once fully commissioned the project is expected to deliver around 170,000 oz of gold per year.

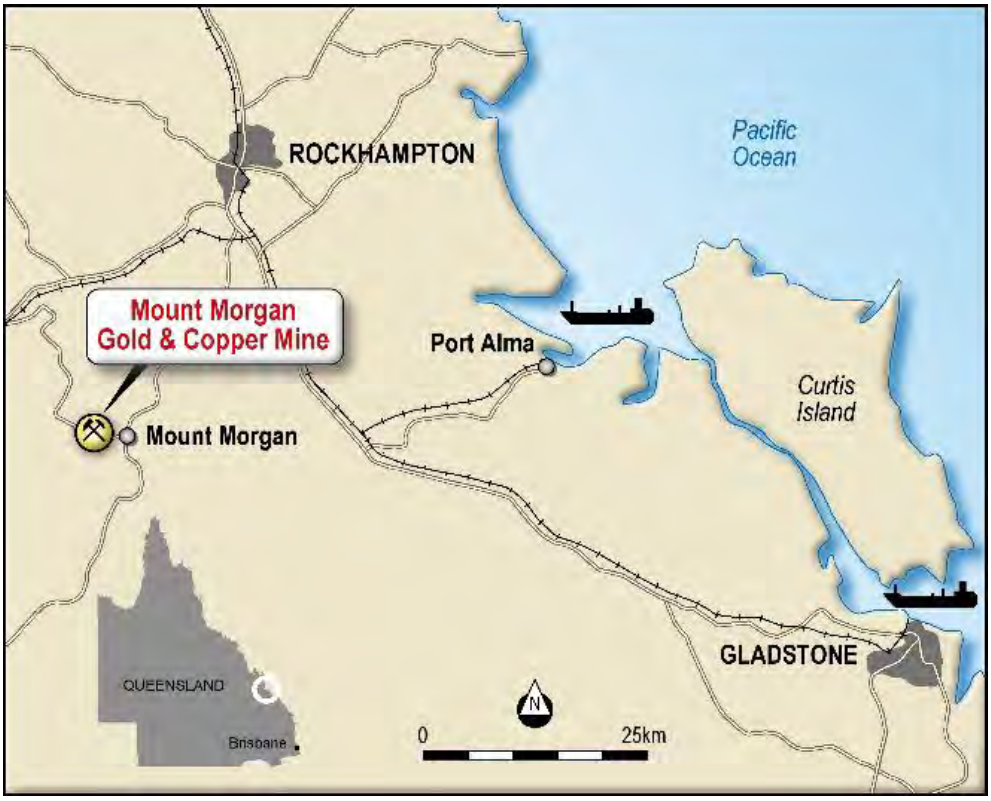
Snowden did not visit Bullabulling but consider that the project has potential to be developed provided the gold price is at current or higher levels.

5 Mount Morgan Project

5.1 Location and access

The Mount Morgan Project (gold and copper tailings) is located near the Mount Morgan township about 38 km southwest of Rockhampton, Queensland (Figure 5.1). The Project is located on the outskirts and west of the historic mining town of Mount Morgan. Regional centres of Rockhampton and Gladstone provide access to all required infrastructure, services and utilities.

Figure 5.1 Location of Mount Morgan gold and copper tailings project



Source: Norton

5.2 Previous work

Gold was discovered at Mount Morgan in 1882. It was mined from 1883 to 1981 and for a time was the largest gold mine in the world, producing 8.4 Moz of gold, 400,000 t of copper and 1.2 Moz of silver from the processing of approximately 50 Mt of ore. The mine also produced 6 Mt of metallurgical slag, 40 Mt of tailings and moved 93 Mt of waste rock. Over the period 1981 to 1991, 28 Mt of tailings were re-treated in a 3 Mtpa gold CIP facility before operations were suspended due to low gold prices and high cyanide costs caused by the presence of additional soluble copper, leaving approximately 12 Mt of untreated tailings with significant metal credits.

Norton acquired the Mount Morgan Project in late 2007 and completed a feasibility study in May 2010. The tailings contain sulphide minerals (dominantly pyrite) that contain gold, copper sulphide minerals and minor silver that were not recovered during previous flotation process methods. Norton refurbished the Kundana plant in Kalgoorlie for relocation to Mount Morgan in support of the project, but then put Mount Morgan Project up for sale in 2012.

5.3 Mineral tenements

The Mount Morgan tenements include 30 old mining leases of around 677 hectares, which are currently wholly owned by Norton (Figure 5.2). Native title has been extinguished over the project area.

Figure 5.2 Mount Morgan tenements

Source: Norton

5.4 Environmental issues

During the last 100 years, mining activities and poor land management practices at the former Mount Morgan mine site have resulted in a series of significant environmental impacts on both the mine site and at the adjacent Dee River. After Mount Morgan ceased operations in 1993 the Queensland State Government accepted responsibility to manage the historical environmental impacts of the mine site. These primarily consist of severe acid rock drainage issues with associated high levels of dissolved heavy metals and salts and subsequent low pH in water bodies on and surrounding the mine site. The adverse impacts of acid rock drainage are evident in the ground in the immediate vicinity of the project site and the adjacent Dee River.

The Queensland Department of Natural Resources and Mines ("DNRM") holds all environmental liabilities associated with the current status and legacy of the Mount Morgan Mine and surface tailings. An agreement has been renewed with the DNRM regarding the responsibility between the organisations for rehabilitation.

5.5 Mineral Resources and exploration targets

Table 5.1 shows the Mount Morgan Project Mineral Resources, estimated by Coffey Mining in 2009.

Table 5.1 Mount Morgan Project – Mineral Resources

Deposit	Indicated			Inferred			Total		
	Kt	Au g/t	Koz	Kt	Au g/t	Koz	Kt	Au g/t	Koz
Shepherds Tails	0	0	0	3,960	0.86	109.5	3,960	0.86	109.5
Mundic Tails	833	1.93	51.7	357	1.82	20.9	1,190	1.90	72.6
No 2 Mill Tails	1,264	1.16	47.1	1,099	1.17	41.3	2,363	1.16	88.5
Red Oxide Tails	390	2.23	28.0	445	2.15	30.8	835	2.19	58.7
Total	**2,487**	**1.59**	**126.8**	**5,861**	**1.07**	**202.5**	**8,348**	**1.23**	**329.3**

Source: Norton

Table 5.2 shows a summary of the Mount Morgan Mineral Resources and Exploration Targets estimated by Carbine in 2014. Snowden notes that exploration targets are not Resources and are reported as a range of tonnes and grades.

Table 5.2 Mount Morgan Mineral Resources (2009) and exploration targets (2014)

JORC Resources [1] (Tailings)	Tonnes (000s)	Au (g/t)	Cu (%)	Au (oz)	Cu (t)
Indicated	2,487	1.59	0.16%	127,000	3,900
Inferred	5,861	1.07	0.14%	202,000	8,400
TOTAL JORC	*8,348*	*1.23*	*0.15%*	*329,000*	*12,300*
Exploration Target [2] *(Exclusive of JORC Resources)*	**Tonnes (000s)**	**Au (g/t)**	**Cu (%)**	**Au (oz)**	**Cu (t)**
Tailings					
(low range)	2,900	1.45	0.13%	135,000	4,000
(high range)	3,280	1.66	0.18%	175,000	6,000
Mullock Dumps					
(low range)	1,750	1.69	0.11%	95,000	2,000
(high range)	2,500	2.00	0.15%	162,000	4,000
Metallurgical Slag					
(low range)	1,850	0.60	0.43%	36,000	8,000
(high range)	6,000	1.00	0.69%	193,000	41,000
Open Pit Tails					
(low range)	25,300	0.52	0.09%	423,000	23,000
(high range)	28,000	0.54	0.09%	486,000	25,000
TOTAL EXPLORATION TARGET					
(low range)	*31,800*	*0.67*	*0.11%*	*690,000*	*36,500*
(high range)	*39,800*	*0.79*	*0.19%*	*1,015,000*	*76,500*

Source: Carbine. Note: Rounding errors occur.

5.5.1 Exploration target

Carbine identified an exploration target of 32 Mt to 40 Mt grading 0.67 to 0.79 g/t Au and 0.11% Cu to 0.19% Cu at the site comprising low grade mullock dumps, slag dumps and re-treated tailings from previous operations. This indicates potential for a significant increase in mine life, processing capacity and project value. This exploration target is not a Mineral Resource and is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

5.6 Carbine resources development (2014)

Norton considered many options for the Mount Morgan Project and teamed up with Raging Bull Mining ("Raging Bull") and their partner Carbine (ASX:CRB) to take the project into feasibility stage (ASX announcement dated 4 April 2014). Raging Bull plans to utilise innovative treatment and extraction technology that will treat the acid water and remove the copper that causes high cyanide consumption. In addition the tailings will be subject to gravity and flotation treatment so that the pyrite (sulphur) is removed and the concentrate treated to remove the sulphur. Raging Bull believes that by this means it can:

- reduce operating costs associated with excess cyanide consumption
- improve gold recoveries by reducing competition with copper in the gold circuit
- provide an additional revenue stream via copper production
- eliminate acid forming materials .

Norton plans to continue working with Raging Bull, Carbine, the DNRM and the local community to ensure that Norton meets the objectives and obligations during the development process. In addition to the acquisition of the Mount Morgan tenements and Kundana plant, Raging Bull will also acquire Norton's Many Peaks copper and gold exploration tenements.

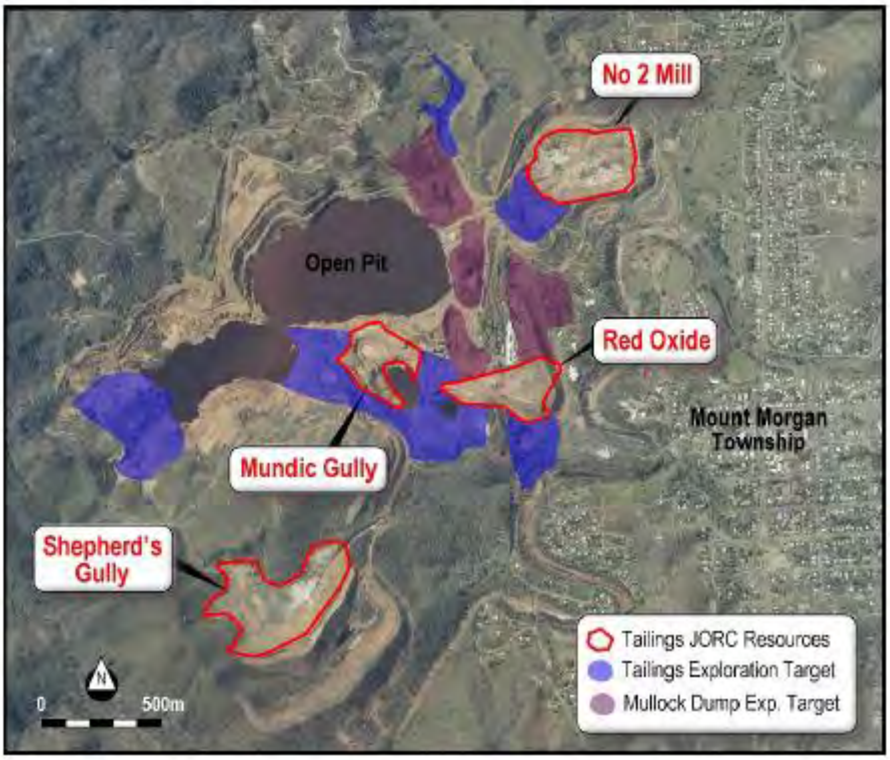
On 19 November 2014. Carbine signed a Memorandum of Understanding ("MOU') with Clean TeQ for copper extraction at Mount Morgan. Recently completed Phase 2 testwork confirmed the technical viability of Carbine's proposed flowsheet to extract gold, copper and pyrite from at the mine, which is designed to extract copper via IX, with gold and pyrite recovered by traditional CIP and flotation processing. Clean TeQ is a global market leader in IX technology. The company specialises in the extraction of metals from mineralised ores and mine waters.

The MOU provides a mechanism for Carbine and Clean TeQ to develop a formal agreement for the provision of copper recovery facilities at the mine. The agreement may take the form of a profit sharing joint venture, equipment sales agreement and/or project equity participation. The MOU also allows for the assessment of Clean TeQ's technology to further improve cyanide recovery processes at Mount Morgan.

Carbine recently completed a Scoping Study outlining the potential viability of extracting remaining gold, copper and pyrite resources at the site. The study, defined a minimum eight-year mine life at a processing capacity of 1 Mtpa, producing 36,000 oz pa of gold at all-in sustaining costs of US$393/oz. The operations are also projected to deliver 850 tpa of copper and 230,000 tpa of high grade pyrite as by-products.

Figure 5.3 shows the proposed mining areas at Mt Morgan.

Figure 5.3 Mountt Morgan – proposed mining areas



Source: Carbine

5.6.1 Process flowsheet

The feed material for the Mount Morgan project consists of tailings, mullocks and other mining waste rocks that are all currently on surface, significantly reducing any associated mining costs.

The process flowsheet developed by Carbine is on face value a fairly simple flowsheet and is shown in Figure 5.4. Feed material will be loaded by frontend loader into a feed chute feeding a conveyor, transferring the material to a ball mill for grinding. It is not expected that any crushing will be required whilst treating the existing tailings.

The mill discharge will be subjected to a weak acid leach to remove any soluble copper in the feed material. Based on the information reviewed the weak acid solution will be provided from existing acidic water which has accumulated in the old open pit mine. The copper leach slurry will be transferred to a thickener for solid liquid separation, with copper removed with the solution from the remaining solids.

Copper will be recovered from the leach solution using an IX process, which will be provided by CleanTeQ, who have significant expertise in IX technology. It is a much safer process than the more usual SX, but is not classed as a bulk removal process for which SX would often be used. Due to the relatively modest size of the operation, IX suits the application well.

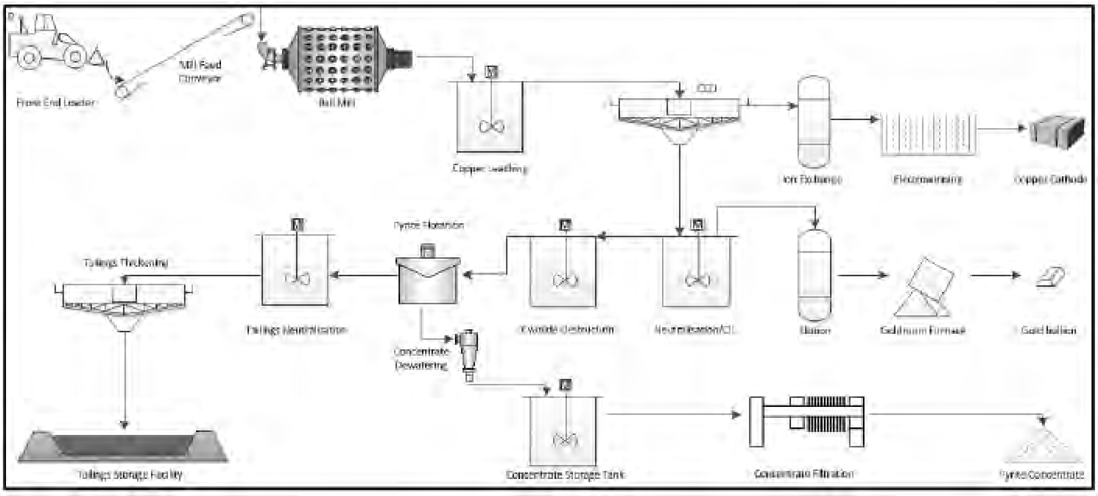
After stripping the copper with concentrated acid from the IX resin, the copper will be recovered via electrowinning to produce high quality copper cathode.

The thickener underflow, now containing significantly less copper, will first be neutralised to a pH suitable for cyanidation. Once neutralised, a standard CIL cyanide leach will be conducted recovering gold from the slurry. The gold will be eluted from the carbon for further production of doré gold bars through standard gold room processing.

CIL tails will be subjected to a pyrite flotation stage to recover pyrite from the CIL tails, thus removing one of the major acid-generating minerals from the tails slurry. The pyrite concentrate will be dewatered in two stage with the final concentrate shipped as a bulk commodity.

The flotation tails will be thickened and transferred to a dedicated, well designed and approved tailings storage facility, where the material can be stored safely in line with world best practice. As the pyrite has been removed from the tails, the acid forming potential of the tails will be significantly reduced, resulting in a significantly reduced liability, both for the project owners and the Queensland Government.

Figure 5.4 Proposed flowsheet for the extraction of copper, gold and pyrite



Source: Carbine

5.6.2 Process advantages

Current estimates based on initial phases of testwork state that:

- gold recovery will be approximately 78%
- copper recovery approximately 56%
- pyrite recovery approximately 91%.

Recovery of the pyrite may not generate significant earnings, but will significantly reduce the risk associated with acid mine drainage from the final tailings.

A principal off-take agreement for the pyrite has been reached with Talana, ensuring that 200,000 tpa to 300,000 tpa pyrite can be sold at ±US$100/t CFR.

Copper recovered as cathode should attract some revenue, but the main benefit of the copper recovery is that removes the copper from the feed material and will thus significantly reduce the cyanide consumption which would have otherwise associated with the copper.

Gold recoveries are reasonable and will be the main revenue earner.

The all-in costs are currently estimated as US$393/oz, which is extremely low. Even if the current reagent consumption, which remains as the most significant operating cost, is much higher, the project has sufficient upside to absorb additional costs and still remain viable.

5.6.3 Process risks

Although the small scale tests appear to have yielded very positive results based on the public domain information, the recoveries and reagent consumption may not be achievable on a larger scale. Snowden recommends that larger pilot scale testwork is conducted on all the different feed material types to ensure that results can be replicated on a larger scale.

Copper is not fully removed and has a direct impact on cyanide consumption and this also on operating costs. If the copper leach is not as effective as initial testwork has shown, they will have a knock-on effect on subsequent processing and may impact not only on processing costs, but also on gold recovery. The converse is however also true, i.e. if copper removal can be improved then cyanide consumption should reduce and gold recovery could increase.

5.7 Ore Reserves

No Ore Reserves have been defined or reported by Norton or Carbine, but it can be assumed that the majority of the resources can be mined and processed easily as they are sitting in surface dumps. Assuming the Indicated Resources are economic to process they could be considered as Probable Reserves.

5.8 Exploration

The Mount Morgan area also has potential for slag exploitation and sulphuric acid production as well as exploration potential for base metals and gold at depth.

5.9 Snowden review

Snowden has reviewed the available metallurgical testwork in the Carbine publicly available reports in order to provide Deloitte with an opinion on the project viability and assist in the valuation of the project.

Snowden comments that only publicly available information could be reviewed, and no testwork data was made available. Carbine did not provide detailed testwork results to Snowden as the company considered that the technology is propriety information (intellectual property) and was not prepared for the detailed technical information to be made available to the public at this time. As a result, information presented in the documents, especially with regards to recoveries and operating costs could not be confirmed. However, Mr Harald Muller, Snowden's metallurgist is familiar with the process technology and considers that there is enough public information to make a reasonably informed opinion of the project.

Although Snowden has not had access to detailed testwork results, it considers that the Mt Morgan Project being progressed by Carbine has reasonable potential to be developed in the near future.

The price projections are considered realistic and are as follows:

- Au: US$1,250/oz
- Cu: US$7,000/t
- Pyrite: US$86/t
- Exchange rate used: A$/US$ = 0.85.

Removal of soluble copper via a weak acid leach is viable and will result in a reduction of cyanide consumption by the copper. There will however still be copper left in the remaining solids which will still consume some of the cyanide. If further testwork achieves higher copper removal, cyanide consumption can be further reduced and it is very likely that gold recovery will then further improve.

IX to recover the copper is suitable for smaller flow rates and is considered viable for this operation. From a technical perspective it is not significantly different from a normal SX/EW circuit, except that the SX circuit is replaced with an IX circuit. Extraction is usually achieved by the same or very similar chemical mechanisms.

IX recoveries of Cu should be reasonable, but again no testwork data was presented for review to confirm the recoveries based on actual testwork data. Current data show:

- gold recovery of 78%
- copper recovery of 56%
- pyrite recovery of 91%.

Although achieved on a small laboratory scale, Snowden cautions that recoveries on a commercial scale plant are often between 2% and 5% lower than laboratory scale recoveries.

Capital costs ofA$81.9 M as shown in the Scoping Study results are considered conservative for a 1 Mtpa plant. A breakdown of capital costs was provided and a high level review of the costs shows the estimate to be reasonable, but a reduction in capital costs during future studies was proposed and is likely to achieve some savings.

Total operating costs are quoted as A$32/t, of which 47% is for reagents and 25% for labour.

Mining costs, including overburden removal was estimated at A$2.94/t.

Reagent and consumable costs were estimated at A$15.30/t of material treated and is at the higher end of standard gold operations, however is considered at the lower end of expected costs in this case, as the response of the ore to the treatment route is not sufficiently defined and will require further testwork on all the different feed material types to confirm the reagent consumption and associated costs.

Power consumption is fairly modest at A$3.40/t of feed, but is probably reasonable as the power will be provided from the main grid.

Total G&A costs are indicated as A$2.38/t which is lower than most other operations recently reviewed.

All-in sustaining costs of US$393/oz Au produced are aggressive and more comprehensive data will be needed to verify these costs. At this stage though, the low all-in costs provide a reasonable margin for error, should recoveries be reduced or reagent costs increased.

The proposed process flowsheet appears reasonable, however no testwork report was provided to support the recoveries and reagent consumption shown in documents available in the public domain.

Infrastructure available at the mine site or just off the site is generally good, with 7MW power available from the national power grid, good site access roads, an existing sewage handling system, potable water being available.

An MOU is in place with CleanTeQ, who are providers of IX based technology. Snowden personnel have worked with CleanTeQ on previous projects, where they have demonstrated good IX based processes for recovery of base metals.

A conditional principal off-take agreement for 200,000 tpa to 300,000 tpa of pyrite at roughly US$100/t CFR has been signed with Talan Ltd. This should be considered as very positive for the project, as the storage of the pyrite rich tails would have presented a significant longer term environmental liability due to the acid generating nature of the pyrite. The pyrite can be used as a source of both Fe and sulphur, with the sulphur mostly used for sulphuric acid production.

The Mount Morgan Project has a considerable environmental legacy liability and although that liability cannot be transferred directly, it does transfer for any areas disturbed by the project over and above the tailings areas. However the Queensland Government appear to be very keen for the project to proceed as it will reduce the environmental impact by reducing pyrite and acid drainage and will also reduce their annual monitoring and maintenance costs.

5.10 Many Peaks Copper Project

5.10.1 Location

The Many Peaks Copper Project is located about 85 km south of Gladstone, in Central Queensland. The Many Peaks Mine produced over 0.5 Mt of copper ore from mining operations from the early 1900s. The Project is included with the Mount Morgan Project as part of the farm-in arrangement with Carbine. Snowden has not reviewed this project area since 2012, when the following comments were made.

5.10.2 Exploration

Exploration at Barambah (EPM14937) reported in 2011 annual report by Activex (the joint venture partner) dated 7 April 2012 includes a six-hole drilling program completed in April 2010 which reported narrow high grade epithermal quartz-sulphide veins carrying up to 31 g/t Au and 3,040 g/t Ag on Triassic volcanosediments. Small scale veins of this type were mined in 1991 to 1993.

Exploration at Many Peaks (EPM14918) reported in the 2011 annual report by Norton Gold Mine Pty Ltd targeted copper in massive sulphide bodies related to mafic volcanic rocks, porphyry style copper-gold (skarn) deposits and possible epithermal gold deposits.

5.10.3 Exploration potential

The area has been subjected to base metals and gold exploration since the late 1950s, and is known for base metals and gold mineralisation in skarns in the Glassford Creek area and porphyry style mineralisation at the Mt Cannindah copper-gold mine.

The exploration rationale was to explore:

- The eastern part covering the old Many Peaks Copper Mine – targeting copper in massive sulphide bodies related to mafic volcanics.
- The western part, in the area between the Mt. Cannindah porphyry style copper gold deposit and the small copper-gold skarn deposits in the Glassford area – targeting porphyry gold (+/- copper) and intrusion related gold mineralisation and possible epithermal gold mineralisation.

Although skarn mineralisation is known, it is not a priority target.

5.10.4 Valuation considerations

Snowden notes that the Many Peaks Project has exploration potential for gold and copper deposits, and although drilling discovered high-grade gold and silver in narrow veins, they may be difficult to mine. The project is being valued by Deloitte as part of the Mount Morgan farm-in agreement with Carbine.

6 Paddington LOM Plan financial models

6.1 Paddington LOM Plan

Snowden has reviewed the LOM Plan model which refers to mining and processing ore from Ore Reserves over the next five years. Snowden considers that the LOM Plan is generally achievable, with a number of options providing flexibility in the short to medium term while long-term projects are developed. Snowden's observation while on site is that while this flexibility is desirable, it introduces a requirement for disciplined and timely decision making regarding the sequence of development, for which adequate resources need to be made available. Snowden recommends that Norton considers utilising Snowden's Evaluator linear programming software to identify an optimal development sequence.

6.1.1 Enterprise deposit

The Enterprise deposit has aspects that are both defined (the open pit) and undefined or partially defined (the underground). Norton's LOM Plan mining inventory contemplates open pit mining of some 4.8 Mt of ore at 2.0 g/t for 268 Koz over a three (or four – depending on the prevalent gold price) stage mine development. The underground LOM Plan mining inventory contemplates some 1.6 Mt at 3.1 g/t for 135 Koz from 2017. Norton predicates a mining operating unit cost of A$3.35/t and A$90.0/t ore and a process operating cost including haulage of A$20.60/t and A$18.60/t for the Enterprise open pit and underground, respectively. For the open pit, the LOM Plan predicates mine operating costs of A$13.45/t ore (including non-capitalised waste stripping and an additional A$46 M capitalised waste stripping). Snowden considers that these costs are achievable.

While Snowden sees no abnormal risk with the open pit operation of the Enterprise LOM Plan, Snowden recognises considerable risk with the underground portion that requires detailed technical study to ameliorate. Alternatively, if the gold price increases the Stage 4 open pit will be preferable.

6.1.2 Excelsior Gold, Kalgoorlie North project

Excelsior Gold's ("EXG") Kalgoorlie North gold deposit is included in the LOM Plan to toll process some 2.9 Mt at 2.7 g/t Au for a recovered gold yield of 0.15 Moz from 2016 to 2021. Snowden notes that this arrangement is commercial and as such Norton accepts that the cash flow and production from this project is controlled by another party, with associated risks and uncertainties.

6.1.3 LOM Plan Production Forecast (2015 to 2020)

Table 6.1 shows the LOM Plan annual production forecast for 2015 to 2020 based on Norton's Reserves LOM Schedule.

Table 6.1 Paddington operation LOM Plan, annual production forecast

Item	Unit	FY15	FY16	FY17	FY18	FY19	FY20	TOTAL :
Ore Tonnes Mined	Mt	2.67	4.29	3.04	3.05	3.96	0.00	17.01
Waste BCM Mined	MBCM	9.59	10.42	9.61	6.75	9.58	0.00	45.95
Average Strip Ratio (Excluding Stockpile)		1.71	1.16	1.51	1.05	1.15	0.00	1.29
Tonnes Processed	Mt	3.88	4.00	4.50	4.50	4.47	0.50	21.85
Grade Processed	g/t	1.72	1.81	2.03	1.91	1.59	2.00	1.82
Total Ounces Recovered (without EXG)	oz	191,262	180,631	231,332	216,803	178,909	0	998,937
Total Ounces Recovered EXG	oz		31,702	28,538	30,222	30,222	30,222	150,905
Total Mining Cost AUD (OPEX)	$M	67.07	86.75	61.91	84.88	64.93	0.00	365.53
Total Processing Cost AUD	$M	79.06	75.61	89.52	83.53	83.78	8.75	420.25
Total Processing Cost AUD (from EXG)	$M		-8.75	-8.26	-8.75	-8.75	-8.75	-43.26
Total G&A Cost AUD	$M	17.44	16.00	18.00	18.00	17.89	2.00	89.33
Total G&A Cost AUD (from EXG)	$M		-2.00	-2.00	-2.00	-2.00	-2.00	-10.00
Total operation cost AUD (C1)	$M	163.57	167.61	159.16	175.65	155.85	0.00	821.84
Total Mining Cost AUD (CAPEX)	$M	59.85	20.80	51.26	2.40	6.88	0.00	141.19
Total Royalties Paid AUD	$M	8.30	7.84	10.04	9.41	7.76	0.00	43.35
Amortization adjustment	$M							0.00
Sustaining Capital	$M	8.00	8.00	10.00	12.00	12.00	12.00	62.00
All in Sustainable Cost (C3)	$M	239.72	204.24	230.47	199.46	182.49	12.00	1068.38
Mine Closure Cost	$M							0.00
Revenue AUD	$M	267.77	252.88	323.87	303.52	250.47	0.00	1398.51
Revenue from EXG	$M		2.75	2.75	2.75	2.75	2.75	13.75
TOTAL REVENUE :	**$M**	**267.77**	**255.63**	**326.62**	**306.27**	**253.22**	**2.75**	**1412.26**
Mill Expansion	$M	0.00	15.00	0.00	0.00	0.00	0.00	15.00
Open & UG Capital Infrastructure & Fleet	$M	0.00	19.95	0.00	0.00	0.00	0.00	19.95
Taxable Cash flow	$M	28.05	51.39	96.15	106.81	70.73	-9.25	343.88

Item	Unit	FY15	FY16	FY17	FY18	FY19	FY20	TOTAL :
Corporate Tax	$M	8.41	15.42	28.85	32.04	21.22	-2.78	103.16
Add-back Tax Losses	$M	-8.41	-15.42	-28.85	-32.04	-21.22	2.78	-103.16
Net Cash flow	**$M**	**28.05**	**16.44**	**96.15**	**106.81**	**70.73**	**-9.25**	**308.94**
All in unit operation cost A$/oz. (C1)		855	928	688	810	871	0	823
All in unit Sustainable Cost A$/oz. (C3)		1,253	1,131	996	920	1,020	0	1,070
Total Ounces Recovered (without EXG)	oz	191,262	180,631	231,332	216,803	178,909	0	998,937

Source: Norton Reserves Life of Mine Schedule

6.2 Strategic LOM Plan

Snowden has reviewed the Strategic LOM Plan ("SLOMP") which refers to future mining and processing options beyond the LOM Plan in a spreadsheet provided by Norton on 18 February 2015, based on mineral inventory. Snowden notes that the majority of the SLOMP long-term production is derived from the Racetrack, Bullabulling and Binduli projects, each of which requires significant capital expenditure and technical work to develop. Snowden considers that the technical risk associated with these and other less-developed projects in the SLOMP is significantly greater than for those for which Ore Reserves and/or Mineral Resources, and clear processing flowsheets are available.

Defined mining operations are those currently in production and included in the LOM Plan or are sufficiently well known for parameters to be confidently applied, even if those resources remain "unclassified" or as "mining inventory". This category contemplates most of the scheduled mine production to around 2021. Snowden considers that the productivities, operating and processing costs applied to these deposits to be achievable and reasonable and are based for the most part on current operating experience.

The figures quoted below are the result of Scoping Studies completed by Norton. With reference to the JORC Code, 2012 edition: "The Scoping Study is based on low-level technical and economic assessments, and are insufficient to support the estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised."

Also (JORC, 2012): "Scoping Studies are commonly the first economic evaluation of a project undertaken and may be based on a combination of directly gathered project data together with assumptions borrowed from similar deposits or operations to the case envisaged. They are also commonly used internally by companies for comparative and planning purposes. Interpretation of the general results of a Scoping Study needs to be undertaken with care to ensure there is no implication that Ore Reserves have been established or that economic development is assured. In some cases, the Scoping Studies may utilise Inferred Mineral Resource and a degree of exploration upside potential. It is not appropriate to report the diluted tonnes and grade outlined in a Scoping Study as if they were Ore Reserves."

Table 6.2 shows Norton's LOM Plan Physicals (Strategic LOM) from FY15 to FY31 based on Norton's mineral inventory and scoping studies (Norton Presentation, 2015). The table shows an increase in tonnes compared to Table 6.1 due to the addition of resources (classified and unclassified) to the ore reserves.

Table 6.2 Life of Mine Plan Physicals

		FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	TOTAL
Ore Tonnes mined	Mt	2.67	4.39	5.14	6.66	10.59	15.29	13.38	18.62	16.95	17.32	15.6	20.84	16.22	17.87	14.38	18.61	12.09	**226.6**
Waste BCM mined	MBCM	9.59	12.62	20.94	21.26	35.59	21.51	19.18	18.08	21.03	24.64	24.13	17.52	12.86	14.25	12.71	11.53	5.13	**302.5**
Average strip ratio		7.54	6.03	8.56	6.71	7.06	2.95	3.01	2.04	2.61	2.99	3.25	1.77	1.66	1.67	1.86	1.3	0.89	**2.8**
Tonnes processed	Mt	3.88	4	5.7	6.14	12.7	10.09	14.05	16.42	18.02	18.00	18.00	18.00	18.00	18.00	18.00	18.00	14.27	**231.3**
Grade processed	g/t Au	1.7	1.81	2.19	1.96	1.29	1.21	1.02	0.88	0.76	0.77	0.75	0.75	0.76	0.8	0.78	0.83	0.76	**0.94**
Total Ounces Recovered (without EXG)	Koz	188.8	180.8	326.9	311.9	439.1	312.4	381.5	372.4	341.4	346.8	336.6	337.0	340.2	363.1	353.3	375.3	261.5	**5,569.0**
Total Ounces Recovered EXG	Koz		31.7	28.52	30.22	30.22													**150.9**

Source: Norton Presentation (February 2015)

6.2.1 Racetrack deposit

Norton's SLOMP mining inventory, based on scoping studies, contemplates open pit mining at Racetrack of some 6.6 Mt of refractory ore at 2.5 g/t for 454 Koz recovered from 2017 to 2022. Norton predicates a mining operating cost of A$32.80/t ore (including non-capitalised waste stripping) at a unit cost of around A$3.40/t and a process operating cost including haulage of A$37.84/t for the open pit operation. The elevated cost/t ore reflects the flat-lying nature of the deposit and a further A$135 M is assigned to capitalised waste. Snowden considers these costs to be achievable.

While Snowden sees no abnormal risk with open pit mining of the Racetrack deposit, Snowden recognises there is a risk with the refractory (low process recovery) nature of the ore that requires detailed technical study to ameliorate. Norton is undergoing a feasibility study of building a BIOX plant to treat the refractory ore.

6.2.2 Binduli heap leach

Norton's SLOMP mining inventory, based on scoping studies, contemplates open pit mining of some 108 Mt of ore at 0.74 g/t for 1.8 Moz recovered from 2020 to 2031. Norton predicates a mining operating cost of A$4.88/t ore (including non-capitalised waste stripping) at a unit cost of around A$2.50/t and a process operating cost including haulage of A$6.00/t for the Binduli open pit and heap leach. A further A$94 M is assigned to capitalised waste.

Snowden considers these costs to be around 30% too low in both areas. The mining cost is possibly achievable in soft material in a relatively shallow pit. Both costs may be adequate for a scoping level analysis of the project. While Snowden sees no abnormal risk with open pit mining of the Binduli deposit, Snowden recognises there is a risk with the conceptual heap leach of the low grade gold material that requires detailed technical study to ameliorate.

6.2.3 Bullabulling

Norton's SLOMP mining inventory, based on scoping studies, contemplates open pit mining of some 94 Mt of ore at 0.84 g/t for 2.2 Moz recovered from 2018 to 2031. Norton predicates a mining operating cost ofA$8.49/t ore (including non-capitalised waste stripping) at a unit cost of aroundA$2.14/t and a process operating cost including haulage ofA$12.70/t for the Bullabulling open pit. Snowden is familiar with the project, which has previously been contemplated as a large (7.5 Mtpa) conventional CIP operation, but Snowden understands that Norton contemplates a heap leach.

Snowden considers the mining operating cost to be around 30% too low, considering that the rock at Bullabulling is hard, but adequate for a scoping level analysis of the project. While Snowden sees no abnormal risk with open pit mining of the Bullabulling deposit, Snowden recognises there is a risk with the conceptual heap leach that requires detailed technical study to ameliorate.

6.3 Future mine capital costs

Snowden has summarised total capital and capitalised expenditure for the Norton LOM Plan (Table 6.3) and returned an average capitalisation of A$9.06/t ore, which is considered to be reasonable. Norton estimate a total average capital cost of A$204/oz, which Snowden considers to be reasonable.

Table 6.3 Capitalised expenditure – defined mining operations

Mine/site	Capitalised expenditure		Comments
	(A$M)	(A$/t ore)	
Enterprise open pit	49.0	10.18	Capitalised waste
Homestead underground	1.9	8.71	Excludes exploratory drilling
Lady Bountiful open pit	6.8	8.31	Capitalised waste
Mulgarrie open pit	15.9	19.49	Capitalised waste
Federal open pit	-	-	
Janet Ivy open pit	-	-	
Bullant underground	13.9	33.0	Excludes exploratory drilling
Wattle Bird open pit	-	-	Capitalised waste
Fort Scott open pit	0.5	1.88	Capitalised waste
Tuart open pit	6.3	3.65	Capitalised waste
Enterprise underground	22.5	13.83	Capitalised waste
Mulgarrie Well open pit	1.2	7.01	Capitalised waste
Hughes open pit	5.8	8.74	Capitalised waste
Tregurtha open pit	5.5	10.9	Capitalised waste
Woolshed South Extended open pit	4.3	14.1	Capitalised waste
Sustaining capital	62.0	2.85	Gross figure
Capital fleet replacement	15.9	0.73	Gross figure
Plant & infrastructure	15.0	0.69	Gross figure
Total/average	226.5	9.06	

6.3.1 Snowden comment

Snowden has reviewed the projected cash mine operating costs (Table 6.4) including capitalised underground development and waste stripping, but excluding administration operating costs, working capital and other capitalised costs from Norton's operating spreadsheets. This review is somewhat empirical given the structure of the spreadsheets, but indicative of mine operating costs for comparison purposes.

Snowden considers that the operating costs are within reasonable limits for established Western Australian operations with an existing mill.

Table 6.4 Mine operating cost summary (includes capitalised waste and development)

Mine/site	Waste movement MBCM	Mining cost $/BCM	Ore Mining cost A$/t	Mined grade g/t	Open cut mining $/ore t	Under-ground mining $/ore t	Haul and process $/ore t	Total $/ore t	Ore processed Mt	Process recovery %	Recovered gold Koz	Cost per oz $/oz
Enterprise open pit	10.95	8.74	3.17	2.00	22.94		20.60	43.54	4.84	83.5	271	779
Homestead underground			116.30	6.54		125.00	20.30	145.30	0.22	95.0	31	1,022
Lady Bountiful open pit	2.41	4.50	4.80	1.73	18.3		20.30	38.60	0.82	94.0	46	697
Mulgarrie open pit	6.42	4.69	5.41	2.23	24.91		20.20	45.11	0.82	94.0	55	669
Federal open pit	8.71	3.72	5.09	1.72	22.54		18.70	41.24	1.86	93.0	96	803
Janet Ivy open pit	1.92	3.13	2.45	1.11	4.96		19.20	24.16	2.39	94.0	79	722
Bullant underground			81.00	3.38		113.08	21.20	134.28	0.43	93.0	59	967
Wattle Bird open pit	0.54	12.60	5.16	1.60	19.27		21.20	40.47	0.35	94.0	18	809
Fort Scott open pit	0.95	4.88	6.39	1.36	23.27		19.20	42.47	0.27	94.0	11	823
Tuart open pit	8.93	4.58	2.83	1.67	26.64		18.30	44.94	1.72	94.0	87	891
Enterprise underground			70.07	3.10		70.07	18.60	88.67	1.63	94.0	135	1,070
Mulgarrie Well open pit	0.45	4.96	3.11	1.56	15.78		20.20	35.98	1.56	94.0	8	336
Hughes open pit	1.57	5.23	6.85	1.19	19.08		23.80	42.88	0.67	70.0	24	1,191
Tregurtha open pit	1.46	5.60	5.74	1.68	21.96		23.80	45.76	0.50	94.0	26	900
Woolshed Sth Ext open pit	1.62	4.72	3.45	1.61	28.61		18.30	36.91	0.30	78.0	12	991
Totals	**45.93**	**5.52**		**1.91**	**19.63**	**83.48**	**19.9**	**47.32**	**18.38**	**90**	**958**	**1,140**

6.4 Planned plant production

Processing of ore will be sourced from a number of operations in the future. Process recoveries applied are generally around 94%, with the recovery applied to some of the ores slightly lower. The lowest recovery quoted is 85%. This is fairly aggressive as some of the open pit ores are expected to be at relatively modest grades, mostly well below 2 g/t. Underground ores are generally higher than 3 g/t. A rule of thumb is that higher grades usually perform better and achieve better plant recovery however this has not been applied in the financial model forecasting future production.

It is important to note that the process section of the model does not apply the same high recoveries and has generally applied annual recoveries of between 75% and 91% over the next 15 years. The lower annual recoveries are due to lower recoveries from heap leach and refractory processing.

Based on preliminary feedback from the Paddington Mill staff, no substantial changes were made to the mill since the previous Snowden review during 2011/2012, which means that cost and recovery data can be directly compared.

A brief review of testwork reports provided on the Enterprise deposit highlighted that the harder ore at depth (increased sulphides content), will have to blended with other ores to maintain mill throughput. When processing the Enterprise ore mined at depth a ratio of at least 40% oxide ore has to be blended with 60% of the Enterprise ore to allow processing of 3.8 Mtpa. A review of the scheduled production shows that the maximum ratio of Enterprise ore scheduled is marginally above 60%, indicating that the schedule is taking the maximum ratios into account.

6.5 Future plant capital costs

The following capital projects are planned by Norton in the next few years.

6.5.1 Paddington Mill, CIL upgrade (A$32 M)

A fairly substantial allowance for the mill upgrade is scheduled to occur over nine months from the second quarter to final quarter of 2015. Snowden has not been provided with detail of the upgrade, but understand that it involves mainly improvements to the adsorption circuit, gold room and general instrumentation/automation. De-bottlenecking of various process areas will also be targeted.

The upgrade is aimed at reduction in OPEX from A$16.30/t of ore to A$14.30/t of ore (i.e. A$2.00/t reduction in process OPEX for the Paddington Mill.

6.5.2 Binduli head leach

Significant CAPEX of A$260 M is scheduled for the Binduli plant and leach pad from the fourth quarter of 2017 to 2019.

Details are unknown at this stage except that it is based on a fairly large tonnage heap leach operation to recover Au from low grade ore. The following has been obtained from the SLOMP, based on a scoping level of study:

- Tonnage: 10 Mtpa
- Grade: 0.74 g/t Au
- Recovery: 70%
- Mining costs estimated at A$2.50/t of ore
- Processing costs estimated at A$6.00/t of ore.

Commissioning of the Binduli heap leach operation is currently scheduled for 2019.

6.5.3 Bullabulling plant

As for the Binduli heap leach, Snowden has only obtained limited information on the Bullabulling Project from the strategic LOM schedule, which shows that a 7.5 Mtpa plant is considered, with CAPEX estimated at A$342 M based on a scoping level of study. The plant is currently scheduled for start of construction during the second quarter of 2016 and completion during 2018.

6.5.4 Paddington refractory circuit

It is understood that a reasonable amount of refractory ore is available for treatment at the Paddington facility, and as a result Norton has been investigating treatment of this ore using a bioxidation process. This is reasonably well known technology, but will require confirmation through a well-designed testwork program.

Snowden understands that the current planning is for a plant with capacity to treat 1.2 Mtpa refractory ore. The CAPEX is estimated as A$82 M and expenditure is scheduled from the second quarter of 2016 to the first quarter of 2017 based on a scoping level of study.

No detail about the project was provided to Snowden.

6.5.5 Sustaining capital

Sustaining capital is indicated as approximately A$2 M per quarter initially, but will increase during future years as increased capacity is brought online. Current estimates show an increase to A$7.42 M during 2018, then A$10.14 M during 2019 and A$8.59 M from 2020 to 2022. From 2023, the strategic LOM schedule reflects A$6.16 M based on a scoping level of study.

No breakdown of the allocation or source of the sustaining capital is provided, so it is not possible to differentiate at this stage between mining and processing ongoing capital.

6.6 Snowden comment – Paddington Mill and other processing facilities

The processing schedule appears to be reasonable and the operating costs achievable, providing the planned mill upgrade scheduled for completion by the end of 2015 achieves the planned results. This should result in operating costs of A$14.30/t of ore milled, which is A$2/t lower than the current processing costs. Based on the fact that sections of the plant have not been upgraded since the 1980s (based on comments from the plant personnel), this is considered to be achievable.

Current Paddington Mill maximum capacity is 3.7 Mtpa and the upgrade is expected to increase the capacity to 4 Mtpa. Although this is a fairly modest increase in overall capacity, it is understood that the main aim of the upgrade is to reduce process operating costs.

Based on scoping studies, further capacity is planned to be provided by:

- Paddington refractory circuit – 1.2 Mpta and scheduled to start during 2017.
- Bullabulling Mill and Mine – 7.5 Mtpa and scheduled to start during 2018.
- Binduli Mine and Leach Pad – 10 Mtpa and scheduled to come online during 2019.

- Process OPEX forecast for the heap leach operation is about A$6/t which is considered to be low.
- Current forecast operating costs are A$16.30t of ore milled.

Historical average operating costs (2011 to 2014) are A$16.58/t of ore milled, indicating that forecast process operating cost may be optimistic, but taking into account the planned upgrades and new installations, should be achievable.

As far as Snowden could ascertain, no separate process operating costs have been provided for the future Paddington refractory circuit or the Bullabulling operation.

6.7 Valuation considerations

Snowden has reviewed the LOM Plan financial model dated 31 December 2014, based on Ore Reserves and has undertaken an independent review of the reasonableness of the technical assumptions included in the forecast projections prepared by Norton in respect of the Paddington operations. Snowden has undertaken a review of the Ore Reserves and forecast operating costs, capital costs and metallurgical recoveries at the plant and considers that the Norton LOM Plan is reasonable based on the technical assumptions. Snowden finds the key drivers to be generally within a range considered to be acceptable.

The model identifies some risks, including:

- significant capital expenditure is required to bring some of the projects online
- small satellite deposits that require additional work
- the generally low gold grades of deposits.

Snowden considers that Norton assets have additional value due to:

- projects being in a good location (near Kalgoorlie) which can attract good staff (no fly-in/fly-out)
- generally under-explored tenements at Paddington with potential below previously mined operations.

7 Valuation methodology

7.1 Valuation considerations

The authors and reviewers of this report are either members of the AusIMM or AIG and therefore, are obliged to prepare mineral asset valuations in accordance with the Australian reporting requirements as set out in the VALMIN Code (2005).

The opinions expressed and conclusions drawn with respect to this valuation are appropriate at the valuation date of 13 January 2015. The valuation is only valid for this date and may change with time in response to variations in economic, market, legal or political conditions in addition to ongoing exploration results.

The objective of a mineral asset valuation is to establish a “fair market” value for an asset in the context of the factors outlined in the body of this report.

7.2 Fair Market Value of Mineral Assets

Mineral assets are defined in the VALMIN Code as all property including, but not limited to real property, mining and exploration tenements held or acquired in connection with the exploration, the development of and the production from those tenements together with all plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals in connection with those tenements.

The VALMIN Code defines fair market value of a mineral asset as the estimated amount of money or the cash equivalent of some other consideration for which, in the opinion of the Expert or Specialist reached in accordance with the provisions of the VALMIN Code, the mineral asset should change hands on the valuation date between a willing buyer and a willing seller in an arms-length transaction, wherein each party has acted knowledgeably, prudently and without compulsion.

In effect therefore, the valuation Expert is assumed to have the knowledge and experience necessary to establish a realistic value for a mineral asset. The real value of a tenement can only be established in an open market situation where an informed public is able to bid for an asset. The most open and public valuation of mineral assets occur when they are sold to the public through a public share offering by a company wishing to become a public listed resource company, or by a company raising additional finance. In this instance, the public is given a free hand to make the decision, whether to buy or not buy shares at the issue price, and once the shares of the company are listed, the market sets a price.

It is well known to most valuation Experts that where mineral tenement valuation is concerned there are two quite distinct markets operating in Australia. Almost without exception, the values achieved for mineral assets sold through public flotation are higher than where values are established through, say, the cash sale by a liquidator, or the sale by a small prospector to a large company neighbour, or through joint venture arrangements.

It is Snowden’s experience, that in all these circumstances the terms of sale generally do not meet the criteria laid out in the VALMIN Code for fair market value (i.e. transaction between a willing buyer and willing seller in an arm’s length transaction, wherein each party had acted knowledgeably, prudently and without compulsion). Invariably one of the parties is a less than enthusiastic participant and it cannot be said that the purchase or sale is without an element of compulsion.

It is Snowden's opinion that the market value of mineral assets should be valued by the Expert on the assumption that they are traded by vending them into a public float. Generally this will mean that the vendor is issued escrow shares (escrow period is usually two years). Importantly, this is a true cash sale situation, since the purchaser of the tenements (the public) is always expected to pay cash.

The VALMIN Code notes that the value of a mineral asset usually consists of two components; the underlying or Technical Value, and the Market component which is a premium relating to market, strategic or other considerations which, depending on circumstances at the time, can be either positive, negative or zero. When the Technical and Market components of value are added together the resulting value is referred to as the Market Value.

The value of mineral assets is time and circumstance specific. The asset value and the market premium (or discount) changes, sometimes significantly, as overall market conditions, commodity prices, exchange rates, political and country risk change. Other factors that can influence the valuation of a specific asset include the size of the company's interest, whether it has sound management and the professional competence of the asset's management. All these issues can influence the market's perception of a mineral asset over and above its technical value.

7.3 Methods of valuing mineral assets

7.3.1 Mineral assets with Mineral Resources and Ore Reserves

Where Mineral Resources and/or Ore Reserves have been defined, Snowden's approach is to excise them from the mineral property and to value them separately on a value per resource tonne/metal unit basis or on the basis of a discounted cash flow ("DCF"). The value of the exploration potential of the remainder of the property can then be assessed. Where appropriate, discounts are applied to the estimated contained metal to represent uncertainty in the information.

In Snowden's opinion, an Expert charged with the preparation of a development or production project valuation must give consideration to a range of technical issues as well as make a judgement about the 'market'. Key technical issues that need to be taken into account include:

- confidence in the Mineral Resource/Ore Reserve estimate
- metallurgical characteristics
- difficulty and cost of extraction
- economies of scale
- proximity of and access to supporting infrastructure.

Discounted cash flow analysis

A DCF analysis determines the Technical Value of a project by approximating the value if it were developed under the prevailing economic conditions.

Once a Mineral Resource has been assessed for mining by considering revenues and operating costs, the economically viable component of the resource becomes the Ore Reserve. When this is scheduled for mining, and the capital costs and tax regime are considered, the net present value ("NPV") of the project is established by discounting future annual cash flows using an appropriate discount rate.

The resulting 'classical' NPV has several recognised deficiencies linked to the fact that the approach assumes a static approach to investment decision making, however the NPV represents a fundamental approach to valuing a proposed or ongoing mining operation and is widely used within the mining industry.

Comparable market transaction value

When the economic viability of a resource has not been determined by financial studies, then a comparable market transaction value approach is typically applied. This approach for resources is a similar process to that for exploration property (refer to Section 7.3.2) however a dollar value per resource tonne/metal in the ground is determined.

As no two mineral assets are the same, the Expert must be cognisant of the quality of the assets in the comparable transactions, with specific reference to:

- the grade of the resource
- the metallurgical qualities of the resource
- the proximity to infrastructure such as an existing mill, roads, rail, power, water, skilled work force, equipment, etc.
- likely operating and capital costs
- the amount of pre-strip (for open pits) or development (for underground mines) necessary
- the likely ore to waste ratio (for open pits)
- the size of the tenement covering the mineral asset
- the overall confidence in the resource.

7.3.2 Mineral assets in the exploration stage

When valuing an exploration or mining property, the Expert is attempting to arrive at a value that reflects the potential of the property to yield a mineable Ore Reserve and which is, at the same time, in line with what the property will be judged to be worth when assessed by the market. Arriving at the value estimate by way of a desktop study is notoriously difficult because there are no hard and fast rules and no single industry-accepted approach.

It is obvious that on such a matter, based entirely on professional judgement, where the judgement reflects the Expert’s previous geological experience, local knowledge of the area, knowledge of the market and so on, that no two valuers are likely to have identical opinions on the merits of a particular property and therefore, their assessments of value are likely to differ – sometimes markedly.

The most commonly employed methods of exploration asset valuation are:

- multiple of exploration expenditure method (exploration based) also known as the premium or discount on costs method or the appraised value method
- joint venture terms method (expenditure based)
- geoscience rating methods such as the Kilburn method (potential based)
- comparable market value method (real estate based).

It is possible to identify positive and negative aspects of each of these methods. It is notable that most valuers have a single favoured method of valuation for which they are prepared to provide a spirited defence and, at the same time present arguments for why other methods should be disregarded. The reality is that it is easy to find fault with all methods since there is a large element of subjectivity involved in arriving at a value of a tenement no matter which method is selected. It is obvious that the Expert must be cognisant of actual transactions taking place in the industry in general to ensure that the value estimates are realistic.

In Snowden's opinion, a valuer charged with the preparation of a tenement valuation must give consideration to a range of technical issues as well as make a judgement about the 'market'. Key technical issues that need to be taken into account include:

- geological setting of the property
- the relative size of the landholding
- results of exploration activities on the tenement
- evidence of mineralisation on adjacent properties
- proximity to existing production facilities of the property.

In addition to these technical issues the Expert has to take particular note of the market's demand for the type of property being valued. Obviously this depends upon professional judgement. As a rule, adjustment of the technical value by a market factor must be applied most judiciously. It is Snowden's view that an adjustment of the technical value of a mineral tenement should only be made if the technical and market values are obviously out of phase with each other.

It is Snowden's opinion that the market in Australia may pay a premium over the technical value for high quality mineral assets (i.e. assets that hold defined resources that are likely to be mined profitably in the short term or projects that are believed to have the potential to develop into mining operations in the short term even though no resources have been defined). On the other hand exploration tenements that have no defined attributes apart from interesting geology or a 'good address' may well trade at a discount to technical value. Deciding upon the level of discount or premium is entirely a matter of the Expert's professional judgement. This judgement must of course take account of the commodity potential of the tenement, the proximity of an asset to an established processing facility and the size of the land holding.

7.4 Snowden's valuation methodology

It is Snowden's opinion that no single valuation approach should be used in isolation, as each approach has its own strengths and weaknesses. Where practicable, Snowden undertakes its valuations using a combination of valuation techniques in order to help form its opinion.

For the valuation of the exploration potential (excluding resources) Snowden has in this case used the Kilburn geo-scientific method (modified by Snowden) and supported this with an estimate derived using the comparable transaction method.

7.4.1 Exploration potential estimate

Having considered the various methods used in the valuation of exploration properties, Snowden is of the opinion that the Kilburn geo-scientific method provides the most appropriate approach to utilise in the technical valuation of the exploration potential of mineral properties on which there are no defined resources. Kilburn, a Canadian mining engineer was concerned about the haphazard way in which exploration tenements were valued. He proposed an approach which essentially requires the valuer to identify the key aspects of the valuation process. The valuer must specify the key aspects of the valuation process and must rank aspects which enhance or downgrade the intrinsic value of each property. The intrinsic value is the base acquisition cost ("BAC") which is the average cost incurred to acquire a base unit area of mineral tenement and to meet all statutory expenditure commitments for a period of 12 months. Different practitioners use slightly differing approaches to calculate the BAC.

The Kilburn geo-scientific method systematically assesses and grades four key technical attributes of a tenement to arrive at a series of multiplier factors. The multipliers are then applied serially to the BAC of each tenement with the values being multiplied together to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

The multipliers or ratings and the criteria for rating selection are as follows:

- Off property 1 to 10
- On property 1 to 10
- Anomalies 0.5 to 10
- Geology 0.1 to 5
- Market 0.5 to 3

The successful application of this method depends on the selection of appropriate multipliers that reflect the tenement prospectivity. Furthermore, there is the expectation that the outcome reflects the market's perception of value, hence the application of the market factor. Snowden is philosophically attracted to the Kilburn type of approach because it endeavours to implement a system that is systematic and defendable. It also takes account of the key factors that can be reasonably considered to impact on the exploration potential. The keystone of the method is the BAC which provides a standard base from which to commence a valuation. The acquisition and holding costs of a tenement for one year provides a reasonable, and importantly, consistent starting point. Presumably when a tenement is pegged for the first time by an explorer the tenement has been judged to be worth at least the acquisition and holding cost.

It has been argued that the Kilburn method is a valuation-by-numbers approach. In Snowden's opinion, the strength of the method is that it reveals to the public, in the most open way possible, just how a tenement's value was systematically determined. It is an approach that lays out the subjective judgements made by the Expert. In the case of assessing the Norton suite of properties, Snowden has also considered the Kilburn and comparable transaction methods to be appropriate.

In arriving at a technical value for the properties, Snowden has taken into consideration the company's equity position if the tenements are subject to a farm-in, joint venture or option to purchase arrangement.

8 Valuation

8.1 Comparable gold transactions (Resources)

Table 8.1 shows all the gold transactions that include resources in Western Australia that occurred during 2014. These include a variety of gold projects including open pit and underground projects, and including Measured, Indicated and/or Inferred Resources. Acquisition terms are dominantly cash but some include quite (shares) and others are based on farm-in exploration expenditure. Some of the projects include Probable reserves (which have been included in the total resources).

Table 8.1 Western Australian gold transaction summary (2014)

Project	Date	Purchaser	% Acquired	Resource acquired (Moz)	100% Purchase price (A$ M)	A$/oz Au
White Well Gold tenement	13 Nov 14	Unspecified buyer	100%	0.113	1.30	11.49
Nannine Gold	24 Dec 14	Metals X	100%	0.089	0.20	2.20
Mt Jewell Gold	07 Nov 14	Norton Gold Fields	100%	0.276	1.80	6.53
Tuckanurra Gold Project	28 Aug 14	Monument	100%	0.100	2.00	45.06
Wilthorpe Gold	15 Sep 14	Resource Mining Group P/L	90%	0.055	0.39	7.02
Majestic Gold	28 Jul 14	Silver Lake Resources	15%	0.032	1.53	47.82
Kathleen Valley Gold	10 Jun 14	Ramelius Resources	100%	0.130	4.05	31.07
Horse Well Gold	23 May 14	Doray Minerals Ltd	80%	0.079	4.00	51.93
Jundee Gold Mine	13 May 14	Northern Star Resources Ltd	100%	0.507	82.50	162.74
Meekatharra Gold Operation	13 May 14	Metals X from Administrator	100%	3.857	9.40	2.57
Bullabulling	17 Apr 14	Norton Gold Fields	100%	3.214	25.47	7.50
Leonora Gold	04 Apr 14	Kin Mining NL	100%	0.746	2.70	3.62
Lake Carey Gold	13 Mar 14	Fortitude Gold P/L	100%	0.405	0.33	0.81
Comet Vale Gold Operation	06 Feb 14	Unspecified buyer	100%	0.211	2.00	9.50
Wiluna Gold Operation	20 Jan 14	Blackham Resources Ltd	100%	2.847	4.60	1.62
Thunderbox Gold/nickel	21 Jan 14	Saracen Mineral Holdings Ltd	100%	2.089	23.00	11.01
					Minimum	0.81
					Maximum	162.74
					Average	25.16
					Median	8.50
					Weighted average	11.32

Table 8.1 describes a range of transaction values for gold projects in WA between A$0.81/oz Au and A$162.74/oz Au with an average value of A$25.16/oz, a median value of A$8.50/oz and a weighted average value (by resources acquired) of A$11.32. The median and weighted average values suggest that the average value of A$25.16 is on the high side.

Snowden notes that some of the transactions are not particularly comparable, including Majestic Gold and Jundee Gold Mine consisting of high grade underground resources. As the majority of the Norton gold resources (91%) are low to medium grade open pit (remnant) resources, Snowden has excluded these from the valuation assessment. The Horse Well valuation is based on projected exploration expenditure for five years, subject to satisfactory outcomes. Snowden has discounted this valuation by 50% to allow for the future uncertainty of exploration. The Tuckanarra Gold Project acquisition is based on 50% cash and 50% Canadian shares. Snowden has discounted this transaction by 25% to allow for the uncertainties attached to equity.

On 17 April 2014, Norton made an offer of A$0.07 for all of the fully paid ordinary shares in Bullabulling Gold Limited ("BGL") (ASX:BAB). This valued BGL at the time as A$24.56 million with Indicated and Inferred Mineral Resources of 3.214 Moz equivalent to A$7.50/oz. On 17 April, this amounted to a 30% premium above the share price at the time of the offer. On 16 June, when Norton held 16% of BGL shares, the offer was increased to A$0.08/share. On 15 September, Norton acquired more than 90% of BGL shares and on 18 September issued a Compulsory Acquisition Notice for the remaining shares.

On 7 November 2014, Norton acquired the Mt Jewell Project consisting of Mineral Resources of 0.276 Moz and exploration licences of approximately 360 km^2 which valued the Mineral Resources at A$6.53/ounce.

Table 8.2 is a list of recent comparable transactions for gold resources in WA during 2014. It shows a range of values from A$0.81/oz to A$162.74/oz. The wide range is related to varying gold grade and varying development including advanced exploration, feasibility studies and operating mines.

Table 8.2 Comparable gold transaction summary for 2014 (and Snowden discounted)

Project	A$/oz Au	A$/oz Au (discounted)
White Well Gold tenement	11.49	11.49
Nannine Gold	2.20	2.20
Mt Jewell Gold	6.53	6.53
Tuckanurra Gold Project	45.06	33.80
Wilthorpe Gold	7.02	7.02
Majestic Gold	47.82	NA
Kathleen Valley Gold	31.07	31.07
Horse Well Gold	51.93	25.97
Jundee Gold Mine	162.74	NA
Meekatharra Gold Operation	2.57	2.57
Bullabulling (A$0.07 share)	7.50	7.50
Leonora Gold	3.62	3.62
Lake Carey Gold	0.81	0.81
Comet Vale Gold Operation	9.50	9.50
Wiluna Gold Operation	1.62	1.62
Thunderbox Gold/nickel	11.01	11.01
Minimum	0.81	0.81
Maximum	162.74	33.80
Average	25.16	11.05
Median	8.50	7.26
Weighted Average (acquired)	11.32	5.41

NA = Not applicable

Snowden notes that discounting the high value resource ounces for operating mines and exploration joint ventures the range of values varies from A$0.81/oz to A$33.80/oz with an average of A$11.05/oz and a median value of A$7.26/oz. Snowden considers that a realistic range of values for dominantly open pit low to medium grade (1.0 g/t Au to 2.0 g/t Au) gold resources in the Kalgoorlie region at the Valuation Date of 13 January 2015 is between A$6/oz and A$9/oz with a Preferred Value of A$7.50/oz. The Preferred Value is in line with the recent acquisitions by Norton of the Bullabulling Project (A$7.50/oz) and the Mt Jewell Project (A$6.53/oz). Both these projects have exploration potential in addition to the resources acquired, although they were acquired under some financial stress at the time (required cash and takeover).

The majority of Norton Mineral Resources are low grade and occur within A$2,100 pit shells and could be classified as remnant resources. As such, Snowden considers they have less value than near surface resources that are readily mineable.

Table 8.3 shows the implied technical value of the gold resources for the Paddington Gold Project (including Mt Jewell) is estimated to lie within a range of A$42.80 M and A$64.21 M with a Preferred Value of A$53.53 M. The implied technical value of the gold resources for the Bullabulling Gold Project is estimated to lie within a range of A$19.28 M and A$28.93 M with a Preferred Value of A$24.11 M, giving a total value of Norton's gold Mineral Resources in the range of A$62.09 M and A$93.13 M with a Preferred Value of A$77.63 M.

Table 8.3 Valuation of Norton Mineral Resources

Project name	Lower A$M	Upper A$M	Preferred A$M
Binduli	13.04	19.56	16.30
Carbine	3.73	5.59	4.66
Golden Cities	3.78	5.67	4.73
Lady Bountiful	2.29	3.44	2.87
Mt Pleasant	11.05	16.57	13.81
Mulgarrie	1.27	1.90	1.58
Ora Banda	6.38	9.57	7.98
Stockpiles	0.47	0.71	0.59
Mt Jewell	0.80	1.21	1.01
Total Paddington Gold Project	42.80	64.21	53.53
Bullabulling	19.28	28.93	24.11
Total	**62.09**	**93.13**	**77.63**

8.2 Resource valuation summary

Table 8.4 shows a summary of the (gold) resource valuations. These values exclude additional exploration value associated with unclassified resources and geological (structural) and geochemical anomalies.

Table 8.4 Norton Resource valuation summary

Project	Ownership	Lower A$M	Upper A$M	Preferred A$M
Paddington Gold	100%	42.00	63.00	52.52
Mt Jewell	100%	0.80	1.21	1.01
Total Paddington Gold Project	**100%**	**42.80**	**64.21**	**53.53**
Bullabulling	100%	19.28	28.93	24.11
Total		**62.08**	**93.14**	**77.64**

8.3 Kilburn geo-scientific method

8.3.1 Project areas (Kilburn analysis)

Table 8.5 shows the Kilburn analysis of Paddington Gold project tenements at the Binduli project area.

Table 8.5 Paddington Gold Project, Binduli project area, Kilburn analysis

Lease	Off property		On property		Anomaly		Geology		Lower A$	Upper A$	Preferred A$
M15/1745	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	2,810	8,880	5,850
M26/115	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	37,310	117,910	77,610
M26/243	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	128,570	406,350	267,460
M26/387	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	62,490	197,490	129,990
M26/420	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	68,110	215,250	141,680
M26/430	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	73,360	231,860	152,610
M26/445	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	116,430	367,990	242,210
M26/446	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	286,780	906,380	596,580
M26/447	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	97,280	218,880	158,080
M26/468	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	495,400	1,565,720	1,030,560
M26/474	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	502,120	1,586,940	1,044,530
M26/629	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	165,910	524,360	345,140
M26/816	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	62,270	140,110	101,190
P26/3564	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	3,110	6,990	5,050
P26/3566	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	4,200	9,450	6,830
P26/3567	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	4,580	10,300	7,440
P26/3609	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	1,600	3,590	2,600
P26/3631	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	6,090	13,700	9,900
Total									**2,118,420**	**6,532,150**	**4,325,310**

Table 8.6 shows the Kilburn analysis the Kilburn analysis of Paddington Gold Project tenements in the Carbine Project area.

Table 8.6 Paddington Gold Project, Carbine Project area, Kilburn analysis

Lease	Off property		On property		Anomaly		Geology		Lower A$	Upper A$	Preferred A$
M16/23	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	79,400	250,940	165,170
M16/44	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	240,310	759,490	499,900
M16/45	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	249,010	787,010	518,010
M16/48	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	212,480	671,550	442,020
M16/58	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	118,520	374,590	246,560
M16/86	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	177,370	560,580	368,980
M16/106	1.5	2.0	1.5	2.5	1.5	2.0	1.5	2.0	219,590	867,520	543,560
M16/150	1.5	2.0	1.5	2.5	1.5	2.0	1.5	2.0	355,810	1,405,680	880,750
M16/156	1.5	2.0	1.5	2.5	1.5	2.0	1.5	2.0	39,580	156,350	97,970
M16/222	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	26,400	59,400	42,900
M16/243	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	81,000	256,000	168,500
M16/244	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	14,320	32,210	23,270
M16/374	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	73,710	232,960	153,340
M16/396	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	11,520	25,920	18,720
M16/397	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	9,760	21,960	15,860
M16/398	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	45,360	102,060	73,710
M16/399	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	35,600	80,100	57,850
M24/113	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	270,280	854,210	562,250
M24/148	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	181,600	573,950	377,780
M24/193	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	354,110	1,119,170	736,640
M24/295	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	46,960	148,420	97,690
M24/300	1.5	2.0	1.5	2.0	1.5	2.5	1.5	2.0	27,750	109,650	68,700
P16/2000	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	5,080	11,430	8,260
P16/2001	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	5,080	11,430	8,260
P16/2002	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	5,080	11,430	8,260
P16/2003	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2,940	6,620	4,780
P16/2477	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	6,760	15,220	10,990
P16/2478	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	8,400	18,900	13,650
P16/2700	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	7,600	38,490	23,050
P16/2701	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	7,220	36,570	21,900
P24/4588	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	6,800	34,450	20,630
P24/4589	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	7,850	39,760	23,810
P24/4590	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	8,400	42,530	25,470
P24/4591	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	8,400	42,530	25,470
P24/4592	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	8,230	41,670	24,950
P24/4593	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	2,020	10,210	6,120
P24/4594	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	5,800	29,340	17,570
Total									**1,889,010**	**6,436,140**	**4,162,660**

Table 8.7 shows the Kilburn analysis of Paddington Gold Project, Golden Cities tenements.

Table 8.7 Paddington Gold Project, Golden Cities area, Kilburn analysis

Lease	Off property		On property		Anomaly		Geology		Lower A$	Upper A$	Preferred A$
M24/564	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	219,350	693,250	456,300
M24/565	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	235,120	743,100	489,110
M24/616	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	553,000	1,747,760	1,150,380
M24/753	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	4,880	10,980	7,930
M24/829	1.5	2.0	1.5	2.0	1.5	2.0	1.0	1.5	122,500	435,560	279,030
Total									**1,134,850**	**3,630,650**	**2,382,750**

Table 8.8 shows the Kilburn analysis of Paddington Gold Project, Lady Bountiful tenements.

Table 8.8 Paddington Gold Project, Lady Bountiful Project, Kilburn analysis

Lease	Off property		On property		Anomaly		Geology		Lower A$	Upper A$	Preferred A$
M24/138	1.0	1.5	1.0	1.0	1.0	1.5	1.0	1.5	4,730	15,970	10,350
M24/187	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	89,790	283,780	186,790
M24/205	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	227,290	718,340	472,820
M24/220	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	1,040	2,350	1,700
M24/270	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	89,360	282,430	185,900
M24/271	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	42,240	133,500	87,870
M24/272	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	13,420	30,200	21,810
M24/291	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	151,920	480,130	316,030
M24/333	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	130,820	413,440	272,130
M24/357	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	9,380	21,110	15,250
M24/402	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	22,080	49,680	35,880
M24/432	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	540	1,210	880
M24/862	1	1.5	1	1.5	1	1.5	1	1.5	9,050	45,810	27,430
Total									**791,660**	**2,477,950**	**1,634,840**

Table 8.9 shows the Kilburn analysis of Paddington Gold Project (EL) tenements.

Table 8.9 Paddington Gold Project, Mt Pleasant Kilburn analysis

Lease	Off property		On property		Anomaly		Geology		Lower A$	Upper A$	Preferred A$
M24/16	1.0	2.0	1.0	2.0	1.0	2.0	1.0	2.0	2,050	32,860	17,460
M24/60	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	1,080	2,430	1,760
M24/79	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	5,400	17,050	11,230
M24/80	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	2,530	7,990	5,260
M24/81	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	21,290	67,300	44,300
M24/82	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	46,490	146,940	96,720
M24/102	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	361,380	1,142,150	751,770
M24/155	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	210,750	666,090	438,420

Lease	Off property		On property		Anomaly		Geology		Lower A$	Upper A$	Preferred A$
M24/165	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	501,730	1,585,700	1,043,720
M24/166	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	243,490	769,540	506,520
M24/172	1.0	2.0	1.0	2.0	1.0	2.0	1.0	2.0	16,050	256,720	136,390
M24/182	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	79,320	250,680	165,000
M24/211	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	19,080	42,930	31,010
M24/223	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	15,100	33,980	24,540
M24/227	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	43,770	138,330	91,050
M24/229	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	11,020	24,790	17,910
M24/234	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	208,230	658,100	433,170
M24/236	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	68,470	216,410	142,440
M24/256	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	12,270	27,610	19,940
M24/265	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	148,520	469,400	308,960
M24/266	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	68,980	218,000	143,490
M24/267	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	1,000	3,150	2,080
M24/302	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	554,010	1,750,960	1,152,490
M24/303	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	104,180	234,420	169,300
M24/304	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	390,350	1,233,700	812,030
M24/321	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	1,100	2,470	1,790
M24/363	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	870	1,960	1,420
M24/390	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	473,660	1,496,990	985,330
M24/393	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	477,620	1,509,510	993,570
M24/401	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	26,580	59,800	43,190
M24/403	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	63,470	142,810	103,140
M24/411	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	5,000	11,240	8,120
M24/416	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	22,310	50,200	36,260
M24/417	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	17,540	39,460	28,500
M24/423	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	14,990	33,720	24,360
M24/426	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	58,460	131,530	95,000
M24/428	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	20,310	45,700	33,010
M24/433	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	930	2,100	1,520
M24/444	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	559,690	1,768,900	1,164,300
M24/445	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	524,850	1,658,780	1,091,820
M24/446	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	81,120	182,530	131,830
M24/447	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	101,860	229,200	165,530
M24/455	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	13,210	29,720	21,470
M24/617	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	890	2,000	1,450
M24/618	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	76,810	172,830	124,820
M24/620	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	10,990	24,730	17,860
M24/645	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	65,380	147,100	106,240
M24/705	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	520	1,180	850
M24/708	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	5,250	16,600	10,930
M24/709	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	360	810	590

Lease	Off property		On property		Anomaly		Geology		Lower A$	Upper A$	Preferred A$
M24/710	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	4,170	13,170	8,670
M24/721	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	103,340	232,520	167,930
M24/730	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	22,200	49,950	36,080
M24/746	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	440	1,000	720
M24/796	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	63,700	201,310	132,510
M24/810	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	440	990	720
M24/811	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	3,170	10,020	6,600
M24/838	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	560	1,250	910
M24/881	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	99,790	224,530	162,160
M24/882	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	93,020	209,290	151,160
M26/587	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	36,740	82,670	59,710
M26/679	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	83,580	188,060	135,820
P24/4255	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	5,670	12,760	9,220
P24/4256	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	6,720	15,120	10,920
P24/4257	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	4,830	10,870	7,850
P24/4258	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	920	2,080	1,500
P24/4260	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2,650	5,950	4,300
Total									**6,292,250**	**19,020,640**	**12,656,640**

Table 8.10 shows the Kilburn analysis of Paddington Gold Project Mulgarrie tenements.

Table 8.10 Paddington Gold Project, Mulgarrie Kilburn analysis

Lease	Off property		On property		Anomaly		Geology		Lower A$	Upper A$	Preferred A$
M27/38	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	61,670	194,920	128,300
M27/149	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	24,840	78,500	51,670
M27/171	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	63,950	202,110	133,030
M27/178	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	75,710	170,340	123,030
M27/185	1.5	2.0	1.5	2.0	1.5	2.5	1.5	2.0	463,460	1,830,950	1,147,210
M27/435	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	166,900	527,470	347,190
M27/436	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	356,270	1,125,980	741,130
M27/437	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	419,210	1,324,900	872,060
P27/1873	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	8,400	18,900	13,650
Total									**1,640,410**	**5,474,070**	**3,557,270**

Table 8.11 shows the Kilburn analysis of Paddington Gold Project Ora Banda tenements.

Table 8.11 Paddington Gold Project, Ora Banda Kilburn analysis

Lease	Off property		On property		Anomaly		Geology		Lower A$	Upper A$	Preferred A$
M24/29	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	474,920	1,500,990	987,960
M24/170	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	460,650	1,455,880	958,270
M24/194	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	543,310	1,717,130	1,130,220
M24/473	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	10,560	33,390	21,980
M24/711	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	670	1,500	1,090
M24/712	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	5,460	17,240	11,350
M24/809	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	5,460	17,250	11,360
Total									**1,501,030**	**4,743,380**	**3,122,230**

Table 8.12 shows the Kilburn analysis of Paddington Gold Project, Paddington Project area tenements.

Table 8.12 Paddington Gold Project, Paddington Project area Kilburn analysis

Lease	Off property		On property		Anomaly		Geology		Lower A$	Upper A$	Preferred A$
M24/20	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	299,990	948,120	624,060
M24/78	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	92,970	293,840	193,410
M24/101	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	485,820	1,535,440	1,010,630
M24/180	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	25,710	81,260	53,490
M24/181	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	23,270	73,540	48,410
M24/183	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	93,960	211,410	152,690
M24/188	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	44,560	140,850	92,710
M24/231	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	8,190	25,890	17,040
M24/239	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	499,900	1,579,930	1,039,920
M24/240	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	360,200	1,138,420	749,310
M24/251	1.5	2.0	1.5	2.0	1.5	2.5	1.5	2.0	493,520	1,949,720	1,221,620
M24/255	1.0	1.5	1.0	1.0	1.0	1.0	1.5	1.5	17,500	26,250	21,880
M24/387	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	32,890	103,940	68,420
M24/397	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	90,330	203,230	146,780
M24/398	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	463,400	1,464,580	963,990
M24/422	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	21,050	47,370	34,210
M24/425	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	7,560	17,000	12,280
M24/430	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	199,520	630,570	415,050
M24/437	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	4,740	14,990	9,870
M24/494	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	183,580	580,220	381,900
M24/497	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	26,330	83,210	54,770
M24/557	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	338,010	1,068,260	703,140
M24/677	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	1,880	4,240	3,060
M24/687	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	490	1,100	800
M24/703	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	890	2,000	1,450
M24/716	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	1,360	4,310	2,840

Lease	Off property		On property		Anomaly		Geology		Lower A$	Upper A$	Preferred A$
M24/790	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	980	2,200	1,590
M24/791	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	110	250	180
M24/793	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	4,000	8,990	6,500
M24/794	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	28,660	90,580	59,620
M24/861	1.5	3.0	1.5	2.0	1.5	2.0	1.5	2.0	4,230	20,070	12,150
M24/876	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	2,810	8,880	5,850
M26/235	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	382,990	1,210,430	796,710
M26/566	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	2,920	6,570	4,750
P24/4128	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	10,630	33,600	22,120
P24/4253	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	80	190	140
P26/3611	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	8,110	18,240	13,180
P26/3612	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.5	8,190	18,430	13,310
P26/3613	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	25,090	79,300	52,200
Total									**4,296,420**	**13,727,420**	**9,012,030**

Table 8.13 shows the Kilburn analysis of Paddington Gold Project, Mt Jewell Project area tenements.

Table 8.13 Paddington Gold Project, Mt Jewell Project area, Kilburn analysis

Lease	Off property		On property		Anomaly		Geology		Lower A$	Upper A$	Preferred A$
E24/146	1.5	2.0	1.5	2.0	2.0	2.5	1.5	2.0	247,500	733,340	490,420
E24/149	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	160,540	507,390	333,970
E24/157	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	35,120	110,990	73,060
E24/171	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	115,390	364,690	240,040
E27/300	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	5,020	15,860	10,440
E27/333	0.5	1.0	0.5	1.0	0.5	1.0	0.5	1.0	500	7,930	4,220
E27/404	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	30,100	95,140	62,620
E27/422	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	30,100	95,140	62,620
P24/4233	1.5	2.0	1.5	2.5	1.5	2.0	1.5	2.0	1,450	5,730	3,590
P24/4234	1.5	2.0	1.5	2.5	1.5	2.0	1.5	2.0	31,680	125,160	78,420
P27/2019	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	25,940	81,980	53,960
Total									**683,340**	**2,143,350**	**1,413,360**

Table 8.14 shows the Kilburn analysis of the Bullabulling Project area tenements.

Table 8.14 Bullabulling project area, Kilburn analysis

Lease	Off property		On property		Anomaly		Geology		Lower A$	Upper A$	Preferred A$
E15/1263	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	17,840	90,300	54,070
E15/1264	1.0	1.5	1.0	1.5	1.0	1.5	1.5	2.0	2,970	13,380	8,180
E15/1320	1.0	1.5	1.0	1.5	1.0	1.5	1.5	2.0	23,780	107,030	65,410
E15/1392	1.0	1.5	1.5	2.0	1.0	1.5	1.0	1.5	11,890	53,510	32,700
M15/282	1.5	2.0	1.5	2.0	1.5	2.0	2.0	2.0	163,450	387,430	275,440
M15/483	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	74,910	236,740	155,830
M15/503	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	453,710	1,433,940	943,830
M15/529	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	140,910	445,330	293,120
M15/552	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	186,870	590,610	388,740
M15/554	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	337,840	1,067,730	702,790
M15/1414	1.5	2.0	1.5	2.0	1.5	2.0	1.5	2.0	5,420	17,140	11,280
P15/4798	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	8,230	41,670	24,950
P15/4799	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	8,230	41,670	24,950
P15/4887	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	8,020	40,610	24,320
P15/5186	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	6,950	35,190	21,070
P15/5187	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	7,980	40,400	24,190
P15/5188	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	7,540	38,170	22,860
P15/5354	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	400	2,040	1,220
P15/5355	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	420	2,130	1,280
P15/5356	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	7,940	40,190	24,070
P15/5357	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	4,330	21,900	13,120
P15/5358	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	4,330	21,900	13,120
P15/5381	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	6,470	32,740	19,610
P15/5382	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	3,830	19,390	11,610
P15/5383	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	8,320	42,100	25,210
P15/5384	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	6,660	33,720	20,190
P15/5385	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	4,910	24,860	14,890
P15/5386	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	7,900	39,970	23,940
P15/5387	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	5,920	29,960	17,940
P15/5388	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	2,020	10,210	6,120
P15/5512	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	8,400	42,530	25,470
P15/5513	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	7,850	39,760	23,810
P15/5514	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	8,360	42,310	25,340
P15/5515	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	8,270	41,890	25,080
P15/5516	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	8,320	42,100	25,210
P15/5533	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	6,300	31,890	19,100
P15/5535	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	310	1,550	930
P15/5538	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	6,720	34,020	20,370
P15/5539	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	7,980	40,400	24,190

Lease	Off property		On property		Anomaly		Geology		Lower A$	Upper A$	Preferred A$
P15/5540	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	3,860	19,560	11,710
P15/5541	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	6,930	35,080	21,010
P15/5567	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	1,970	9,990	5,980
P15/5661	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	8,350	42,250	25,300
P15/5662	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	4,580	23,200	13,890
P15/5663	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	5,270	26,680	15,980
P15/5664	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	7,260	36,760	22,010
P15/5669	1.0	1.5	1.0	1.5	1.0	1.5	1.5	2.0	12,090	54,400	33,250
P15/5673	1.5	2.0	1.0	1.5	1.0	1.5	1.5	2.0	10,780	43,130	26,960
P15/5674	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5	12,080	54,380	33,230
P15/5758	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	1,260	6,380	3,820
P15/5799	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	1,390	7,020	4,210
P15/5800	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	4,540	22,960	13,750
P15/5802	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	4,960	25,090	15,030
P15/5848	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	5,460	27,630	16,550
P15/5849	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	1,910	9,680	5,800
P15/5850	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	3,500	17,710	10,610
P15/5851	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	6,310	31,960	19,140
Total									**1,695,000**	**5,812,270**	**3,753,780**

8.3.2 Summary of Kilburn analysis

Table 8.15 shows the summary of the Paddington Gold Project exploration valuations based on the Kilburn analysis.

Table 8.15 Summary of Norton Gold Projects, Kilburn analysis

Project area	Lower A$	Upper A$	Preferred A$
Binduli	2,118,420	6,532,150	4,325,310
Carbine	1,889,010	6,436,140	4,162,660
Golden Cities	1,134,850	3,630,650	2,382,750
Lady Bountiful	791,660	2,477,950	1,634,840
Mt Pleasant	6,292,250	19,020,640	12,656,640
Mulgarrie	1,640,410	5,474,070	3,557,270
Ora Banda	1,501,030	4,743,380	3,122,230
Paddington	4,296,420	13,727,420	9,012,030
Mt Jewell	683,340	2,143,350	1,413,360
Paddington sub-total	**20,347,390**	**64,185,750**	**42,267,090**
Bullabulling	1,695,000	5,812,270	3,753,780
TOTAL	**22,042,390**	**69,998,020**	**46,020,870**

Table 8.16 shows Norton's summary of exploration values based on the Kilburn method in A$ million.

Table 8.16 Norton Gold Fields, Summary of Exploration Values (A$ million)

Project name	Lower A$M	Upper A$M	Preferred A$M
Binduli	2.12	6.53	4.33
Carbine	1.89	6.44	4.16
Golden Cities	1.13	3.63	2.38
Lady Bountiful	0.79	2.48	1.63
Mt Pleasant	6.29	19.02	12.66
Mulgarrie	1.64	5.47	3.56
Ora Banda	1.50	4.74	3.12
Paddington	4.30	13.73	9.01
Mt Jewell	0.68	2.14	1.41
Paddington sub-total	**20.35**	**64.19**	**42.27**
Bullabulling	1.70	5.81	3.75
TOTAL	**22.05**	**70.00**	**46.02**

Note: Rounded to two decimals

The table shows the implied technical value of the exploration potential for the Paddington Gold Project (including Mt Jewell) is estimated to lie within a range of A$20.35 M and A$64.19 M with a Preferred Value of A$42.27 M. The implied technical value of the exploration potential for the Bullabulling Gold Project is estimated to lie within a range of A$1.70 M and A$5.81 M with a Preferred Value of A$3.75 M giving a total value of Norton's exploration potential in the range of A$22.05 M and A$70.00 M with a Preferred Value of A$46.02 M.

8.4 Exploration areas

Snowden notes that historical range of values for exploration properties in the WA goldfields is between A$30,000/km^2 and A$100,000/km^2 with a Preferred Value of A$60,000/km^2. The implied value of the gold exploration potential for the Paddington Gold Project for an area of 902 km^2 is therefore estimated to lie within a range of A$28.08 M and A$93.6 M with a Preferred Value of A$60.4 M.

The Bullabulling Gold Project has an area of 189 km^2, however 100 km^2 is held as exploration licences with low potential the implied value of the gold exploration potential for the Bullabulling Gold Project for an area of 89 km^2 is therefore estimated to lie within a range of A$2.57 M and A$8.58 M with a Preferred Value of A$5.57 M.

8.5 Comparison values of exploration potential

Table 8.17 shows the comparison between comparable transaction values and Kilburn analysis values for the exploration areas. The comparison excludes values attached to defined (Measured, Indicated and Inferred) Mineral Resources.

Table 8.17 Exploration potential, Kilburn v Comparable transaction (km^2)

		Lower A$M	Upper A$M	Preferred A$M
Paddington	Comparable km^2	27.06	90.20	54.12
	Kilburn	20.35	64.19	42.27
Bullabulling	Comparable km^2	2.57	8.58	5.57
	Kilburn	1.70	5.81	3.75

8.6 Combined valuation

Table 8.18 is the Valuation Summary of Norton's Mineral Resources and Exploration Potential (tenements). It shows the technical value of the Norton's mineral assets within a range of A$84.13 M to A$163.14 M with a Preferred Value of **A$123.66 M**. The Preferred Value gives an estimate of A$0.13/share for 931,809,490 shares. This valuation excludes the value related to future cash flows from the Ore Reserves and mine production over the next several years that is valued by Deloitte.

Table 8.18 Norton – Valuation Summary of Resources and Exploration

Project	Value	Lower A$M	Upper A$M	Preferred A$M
Paddington Gold	Resources	42.80	64.21	53.53
Bullabulling	Resources	19.28	28.93	24.11
Total – Resources		**62.08**	**93.14**	**77.64**
Paddington Gold	Exploration	20.35	64.19	42.27
Bullabulling	Exploration	1.70	5.81	3.75
Total – Exploration		**22.05**	**70.00**	**46.02**
TOTAL – Resources and Exploration		**84.13**	**163.14**	**123.66**

9 Fair Market Value of Mineral Resources and Exploration Potential

Snowden has elected to apply a Market Factor of 1.0 to the technical value as it considers that the market for gold exploration properties in the Kalgoorlie region of WA is relatively stable. Comparable transaction values based on tenement area are broadly similar to the values derived by the Kilburn geo-scientific method. During 2014 there was declining interest in gold stocks and gold exploration properties, primarily due to the fall in gold price and cost blowouts at mine operations. However, more recently there has been renewed interest in the Australian gold industry as the Australian dollar has fallen and there has been a tightening of mine operating costs. Accordingly, Snowden considers that a Market Factor of 1.0 is reasonable.

Snowden notes that the value of the Norton Mineral Assets lies predominantly in the ground and is subject to economics including gold price, operating costs and sustaining capital of the process plant, infrastructure and mining equipment. However the deposits also need significant capital expenditure for the projects to be developed, including open cut stripping and new plant infrastructure to treat refractory ore. As such without the backing of a large mining organisation the assets could not be readily developed and would have less value, particularly for the higher risk lower grade gold deposits.

The Fair Market Value as determined by Snowden is summarised in Table 9.1 below.

Table 9.1 Fair Market Value of Norton's Mineral Resources and Exploration

Project	Mineral asset	Lower A$M	Upper A$M	Preferred A$M
Paddington Gold	Resource value	42.80	64.21	53.53
Paddington Gold	Exploration potential	20.35	64.19	42.27
Total		**63.15**	**128.40**	**95.80**
Bullabulling Gold	Resource value	19.28	28.93	24.11
Bullabulling Gold	Exploration potential	1.70	5.81	3.75
Total		**20.98**	**34.74**	**27.86**
TOTAL		**84.13**	**163.14**	**123.66**

Snowden considers that the Fair Market Value of Norton's Mineral Resource and Exploration Assets falls within a range of A$84.13 M to A$163.14 M with a Preferred Value of **A$123.66 M**.

These values exclude values associated with Norton's Ore Reserves and cash flows from future planned mining operations. Snowden has provided Deloitte with a technical assessment of the assumptions in Norton's cash flow model to assist Deloitte with the valuation of these assets, which are in addition to those valued by Snowden.

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Execution version

Zijin Mining Group Co., Ltd

Norton Gold Fields Limited

Scheme Implementation Agreement

Ref: DRH/CMT 12751688/1

Contents

Date: 6 February 2015

Parties

Zijin Mining Group Co., Ltd, No.1 Zijin Road, Shanghang County, Fujian, China (**Bidder**)

Norton Gold Fields Limited ACN 112 287 797 of Level 36, 2 The Esplanade, Perth, Western Australia (**Target**)

Background

A Bidder has agreed with Target for Bidder to acquire all of the issued ordinary shares of Target which it does not already own by means of a scheme of arrangement.

B Target has agreed to propose the Scheme to Target Shareholders.

C The parties have agreed to act in good faith to implement the Scheme on and subject to the terms set out in this document.

Agreed terms

1 Definitions

In this document these terms have the following meanings:

Advisers	In relation to an entity, its legal, financial and other expert advisers and agents.
Announcement	The announcement in the form contained in **annexure C**.
ASIC	The Australian Securities and Investments Commission.
Associate	In relation to each party, has the meaning given in sections 11, 12 and 16 of the Corporations Act.
ASX	ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it.
ASX Listing Rules	The official listing rules of ASX.
Bidder Board	The board of directors of Bidder.
Bidder	Lan Fusheng, Shaoyang Shen, Emil Fan and Wang

Committee Members	Chao.
Bidder Confidential Information	Any commercial, financial or technical information of any member of Bidder Group disclosed or supplied by or on behalf of any such entity to Target or any of its Representatives, whether orally or visually or in documentary or electronic form and including the notes, records or copies made by Target or any of its Representatives of such information but excluding information which is in the public domain (other than as a result of a breach of this document by Target) or otherwise previously known to Target.
Bidder Group	Bidder and each of its Related Entities.
Bidder Indemnified Parties	Each member of the Bidder Group and the Officers and employees of each of those entities.
Bidder Information	Such information regarding Bidder and the Bidder Group provided by or on behalf of Bidder to Target or the Independent Expert to enable the Scheme Booklet to be prepared and completed, and applications for the Regulatory Approvals to be made.
Bidder's Nominee	The entity nominated by the Bidder pursuant to **clause 4.3**.
Business Day	The meaning given in the ASX Listing Rules.
Cancellation Deed	A deed in the form to be agreed by Target and Bidder to be provided to the OPT1 holder in respect of the proposed cancellation or transfer of each OPT1 held by him, which cancellation or transfer will be conditional upon the scheme becoming Effective.
Condition	A condition set out in **clause 3.1**.
Control	The meaning given to that term in the Corporations Act.
Corporations Act	The *Corporations Act 2001* (Cth).
Court	The Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act agreed in writing by Target and Bidder.
Deed Poll	A deed poll in the form of **annexure B** or in such other form as agreed by Bidder and Target to be executed by Bidder in favour of the Scheme Participants, under which Bidder covenants in favour of each Scheme Participant to perform its obligations under the Scheme and this document as regards the implementation of the Scheme.
Disclosure	The meaning given to that term in **clause 11.1(a)**.

Purpose	
Effective	The time at which the Scheme Order takes effect pursuant to section 411(10) of the Corporations Act.
Effective Date	The date on which the Scheme becomes Effective.
End Date	30 June 2015 or such later date as Bidder and Target agree in writing.
Excluded Share	A Target Share held by Bidder or any of its Associates or by any person on behalf of, or for the benefit of, Bidder or any of its Associates.
Exclusivity Period	The period from and including the date of this document to and including the earlier of the date this document is terminated in accordance with its terms or the Effective Date.
First Court Date	The first day of the First Court Hearing or, if the First Court Hearing is adjourned for any reason, the first day on which the adjourned application is heard.
First Court Hearing	The hearing of the application made to the Court for orders under section 411(1) of the Corporations Act that the Scheme Meeting be convened.
Governmental Agency	Any government, whether Federal, State or Territory, municipal or local, and any agency, authority, commission, department, instrumentality, regulator or tribunal thereof, including the Commissioner of Taxation, Australian Taxation Office and Australian Competition and Consumer Commission.
Implementation Date	The third Business Day following the Record Date, or such other date as ordered by the Court or agreed between Bidder and Target.
Independent Expert	Deloitte Corporate Finance Pty Limited or such other independent expert that Target determines (acting reasonably).
Independent Expert's Report	The report in connection with the Scheme to be prepared by the Independent Expert in accordance with the Corporations Act, and ASIC policy and practice, for inclusion in the Scheme Booklet.
Insolvency Event	Any of the following: (a) a person is or states that the person is unable to pay from the person's own money all the person's debts as and when they become due and payable; (b) a person is taken or must be presumed to be insolvent or unable to pay the person's debts under any applicable legislation;

(c) an application or order is made for the winding up or dissolution or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of a corporation;

(d) an administrator, provisional liquidator, liquidator or person having a similar or analogous function under the laws of any relevant jurisdiction is appointed in respect of a corporation or any action is taken to appoint any such person and the action is not stayed, withdrawn or dismissed within seven days;

(e) a controller (as that term is defined in the Corporations Act) is appointed in respect of any property of a corporation;

(f) a corporation is deregistered under the Corporations Act or notice of its proposed deregistration is given to the corporation;

(g) a distress, attachment or execution is levied or becomes enforceable against any property of a person;

(h) a person enters into or takes any action to enter into an arrangement (including a scheme of arrangement or deed of company arrangement), composition or compromise with, or assignment for the benefit of, all or any class of the person's creditors or members or a moratorium involving any of them; or

(i) anything analogous to or of a similar effect to anything described above under the law of any relevant jurisdiction occurs in respect of a person.

Losses	All claims, actions, proceedings, liabilities, obligations, damages, loss, charges, costs, expenses and duties or other outgoings.
Material Adverse Change	A matter, event or circumstance that occurs, is announced or becomes known to Target (whether or not it becomes public) where that matter, event or circumstance has, has had, or could reasonably be expected to have, individually or when aggregated with all such matters, events or circumstances:

(a) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Target Group taken as a whole;

(b) without limiting the generality of **paragraph (a)**:

(i) the effect of diminishing the value of the net

	(i) ... assets of the Target Group by an amount of \$10 million or more, as compared to the value of the net assets of the Target Group set out in its consolidated balance sheet as at 31 December 2013; or (ii) the effect of reducing in any financial year earnings before interest, tax, depreciation and amortisation of the Target Group by an amount of \$5 million or more.
Officer	In relation to an entity, its directors and senior executives.
OPT1	An unlisted option to acquire Target Shares with an exercise price of \$0.241 due to expire 22 August 2017 (subject to terms of issue), issued as part of the remuneration package of the Target's Managing Director.
OPT1 holder	Each registered holder of an OPT1.
OPT2	An unlisted option to acquire Target Shares with an exercise price of \$0.27 due to expire 30 April 2015 (issued by Target as part of the consideration for its bid for Kalgoorlie Mining Company).
OPT2 holder	Each registered holder of an OPT2.
Option	An option or other right to acquire Target Shares, including OPT1 and OPT2.
PRC	People's Republic of China.
Prescribed Occurrence	Other than: (a) as required or contemplated by this document; (b) as required or contemplated under the Scheme; or (c) with the express consent of Bidder, the occurrence of any of the following: (d) Target converting all or any of its shares into a larger or smaller number of shares; (e) any member of the Target Group resolving to reduce, or reducing, its share capital in any way, or reclassifying, redeeming, combining, splitting or repurchasing directly or indirectly any of its shares; (f) any member of the Target Group resolving to buy back, or buying back, any of its shares, including by: (i) entering into a buy-back agreement; or (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;

(g) any member of the Target Group making or declaring any distribution whether by way of dividend or capital reduction or otherwise and whether in cash or in specie;

(h) any member of the Target Group issuing shares, or granting an option over its shares, or agreeing to make such an issue, other than pursuant to:

(i) any of Target's existing employee share plans; or

(ii) an issue of ordinary shares following the valid exercise of any options on issue at the date of this document or any other security convertible into ordinary shares on issue at the date of this document;

(i) any member of the Target Group issuing, or agreeing to issue, securities convertible into shares or debt securities (including any performance rights or options);

(j) other than in the ordinary course of business and consistent with past practice or under any Target Finance Document, any member of the Target Group creating or agreeing to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property;

(k) any member of the Target Group becoming subject to an Insolvency Event or being deregistered or dissolved;

(l) other than in the ordinary course of business and consistent with past practice, any member of the Target Group:

(i) acquiring, leasing or disposing of;

(ii) agreeing to acquire, lease or dispose of; or

(iii) offering, proposing or announcing a bid or tenders for,

any material business, assets (other than trading inventories and consumables in the ordinary and usual course of business) or entity with a value greater than $10 million, or enters into joint venture, partnership or similar arrangement;

(m) any member of the Target Group adopting a new constitution or modifying or repealing its constitution or a provision of it or a similar constituent document;

(n) any member of the Target Group incurring any indebtedness or issuing any indebtedness by way of borrowings, loans or advances for amounts in aggregate in excess of $10 million;

(o) any member of the Target Group making, in aggregate, capital expenditure in excess of $15 million on projects not commenced or approved prior to the date of this document;

(p) other than in the ordinary course of business and consistent with past practice, any member of the Target Group:

   (i) entering into any contract or commitment involving revenue or expenditure of more than $10 million over the term of the contract or commitment; or

   (ii) terminating or amending in a material manner any contract of the Target Group's business which involves expenditure or revenue of more than $10 million over the term of the contract;

(q) any member of the Target Group entering into a contract or commitment restraining it from competing with any person or conducting activities in any market;

(r) other than in the ordinary course of business and consistent with past practice or except as provided for in an existing employment contract in place at the date of this document, any member of the Target Group:

   (i) paying any bonus to, or increasing the compensation of, any Officer or employee of any member of the Target Group;

   (ii) accelerating the rights of any Officer or employee of any member of the Target Group to compensation or benefits of any kind (including under any Target executive or employee share or performance bonus plan);

   (iii) granting to any Officer or employee of any member of the Target Group any increase in severance or termination pay or superannuation entitlements or by issuing any Target Shares or securities convertible to

Target Shares to any of those persons; or

(iv) establishing, adopting, entering into or amending in any material respect (including by taking any action to accelerate any rights or benefits due under) any enterprise bargaining agreement, Australian workplace agreement, employee benefit plan or superannuation scheme of Target or relating to the Officers or employees of any member of the Target Group; or

(s) any member of the Target Group making any change in its accounting methods, principles or practices which would materially affect the reported consolidated assets, liabilities or results of operations of any member of the Target Group, other than as required to comply with any changes to generally accepted accounting principles, standards, guidelines or practices in the jurisdiction of the relevant entity's incorporation.

Record Date 7.00 pm on the fourth Business Day following the Effective Date or such other date and time as Bidder and Target agree.

Register The register of members of Target maintained by or on behalf of Target in accordance with the Corporations Act.

Regulatory Approval

(a) Any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, approval, direction, declaration, authority or exemption from, by or with a Regulatory Authority; or

(b) in relation to anything that would be fully or partly prohibited or restricted by law if a Regulatory Authority intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

Regulatory Authority Any Australian, PRC or other foreign government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial entity, commission, tribunal agency or authority or any Minister, department, office or delegate of any government. It includes a self-regulatory organisation established under statute or a stock exchange, ASIC, ASX, the Foreign Investment Review Board and the Australian Competition and Consumer Commission, and the National Development and Reform

	Commission, the State Administration of Foreign Exchange and Ministry of Commerce of PRC, and /or at their provincial or municipal departments or counterparts thereof.
Regulator's Draft	The draft of the Scheme Booklet in a form acceptable to both Bidder and Target which is provided to ASIC for review pursuant to section 411(2) of the Corporations Act.
Related Body Corporate	The meaning given to that term in the Corporations Act.
Related Entity	Of a party means another entity which: (a) is a Related Body Corporate of the first entity; (b) is in any consolidated entity (as defined in section 9 of the Corporations Act) which contains the party; or (c) the party Controls.
Relevant Interest	The meaning given to that term in the Corporations Act.
Representative	In relation to a party: (a) each of the party's Related Entities; and (b) each of the Officers, employees and Advisers of the party or of any of its Related Entities.
Scheme	The proposed scheme of arrangement between Target and the Scheme Participants under Part 5.1 of the Corporations Act in the form of **annexure A** (or in such other form as agreed by Bidder and Target), subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed in writing by Bidder and Target.
Scheme Booklet	The information to be dispatched to Target Shareholders and approved by the Court, including the Scheme, explanatory statement in relation to the Scheme issued pursuant to section 412 of the Corporations Act and registered with ASIC, the Independent Expert's Report, the Deed Poll, a copy of this document and the notice convening the Scheme Meeting (together with proxy forms).
Scheme Consideration	$0.20 cash for each Scheme Share held by a Scheme Participant or such other amount as agreed between Bidder and Target.
Scheme Meeting	The meeting ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme.
Scheme Order	The order of the Court made for the purposes of section 411(4)(b) of the Corporations Act in relation to the

	Scheme.
Scheme Participant	Each holder of Scheme Shares as at the Record Date.
Scheme Shares	The Target Shares other than the Excluded Shares.
Second Court Date	The first day of the Second Court Hearing or, if the Second Court Hearing is adjourned for any reason, the first day on which the adjourned application is heard.
Second Court Hearing	The hearing of the application made to the Court for the Scheme Order.
Subsidiary	The meaning given to that term in the Corporations Act.
Superior Proposal	A publicly announced bona fide Third Party Proposal received after the date of this document which the Target Transaction Sub-Committee acting in good faith and reasonably (after consultation with its legal and financial advisers) determines is: (a) reasonably capable of being completed on a timely basis taking into account all aspects of the Third Party Proposal, including any approval requirements under the Third Party Proposal having regard to Bidder's existing shareholding in the Target; and (b) more favourable to Target Shareholders (as a whole, excluding the Bidder) than the Scheme (taking into account, among other things, all legal, financial, regulatory and other aspects of the Third Party Proposal and the identity of the offeror).
Takeovers Panel	The body established under section 171 of the Australian *Securities and Investments Commission Act 2001* as the primary forum for resolving disputes about takeovers.
Target Board	The board of directors of Target.
Target Committee Members	Target Transaction Sub-Committee, Richard Jones, and Stephen Phan or such other person as is nominated by Target.
Target Confidential Information	Any commercial, financial or technical information of any member of Target Group disclosed or supplied by or on behalf of any such entity to Bidder or any of its Representatives, whether orally or visually or in documentary or electronic form and including the notes, records or copies made by Bidder or any of its Representatives of such information but excluding information which is in the public domain (other than as a result of a breach of this document by Bidder) or

	otherwise previously known to Bidder.
Target Director	A director of Target.
Target Group	Target and each of its Related Entities.
Target Indemnified Parties	Each member of the Target Group and the Officers and employees of each of those entities.
Target Information	All information contained in the Scheme Booklet and all information provided by or on behalf of Target to the Independent Expert to enable the Independent Expert's Report to be prepared and completed, but does not include the Bidder Information, the Independent Expert's Report and any other expert report.
Target Share	A fully paid ordinary share in the capital of Target.
Target Shareholder	Each person who is registered in the Register as the holder of Target Shares.
Target Suspension Date	The date identified in the Timetable as the Target Suspension Date.
Target Transaction Sub-Committee	The sub-committee established by Target in relation to the Transaction, comprising Anne Bi, Noel White and Dianmin Chen.
Third Party Proposal	(a) A transaction which, if completed, would mean a person (other than Bidder or Bidder's Nominee) would, directly or indirectly: (i) acquire all or a substantial part of the assets or business of the Target Group; (ii) acquire a Relevant Interest in 10% or more of Target's voting shares or of the share capital of any of its Related Bodies Corporate or enter into any cash settled equity swap or other derivative contract arrangement in respect of (when aggregated with any shareholding) 10% or more of the relevant company's share capital; or (iii) acquire Control of Target; (b) a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, purchase of main undertaking or other business combination involving Target and/or its Related Bodies Corporate; (c) a transaction involving the formation of a dual listed company structure, stapled security structure or other form of synthetic merger having the same or

	substantially the same effect as a takeover bid for, or scheme of arrangement in respect of, Target and/or its Related Bodies Corporate; or (d) any agreement, arrangement or understanding requiring Target to abandon, or otherwise fail to proceed with, the Transaction or which is otherwise prejudicial to the Transaction.
Timetable	The indicative timetable set out in **schedule 1** or such other timetable as may be agreed in writing by the parties or their Advisers.
Transaction	The acquisition by Bidder of all of the Scheme Shares through the implementation of the Scheme and the separate cancellation or acquisition of the Options as contemplated in this document.
Transaction Implementation Committee	The committee to be established under **clause 5.3**.

2 Implementation of the Scheme

Target agrees to propose, and the parties agree to implement, the Scheme on the terms set out in this document.

3 Conditions

3.1 Conditions

The Scheme will not become Effective unless, and the obligation of Bidder under **clause 4.2** is subject to, each of the following conditions being satisfied or waived in accordance with **clause 3.4**:

(a) (**Regulatory Approvals**) before 8.00 am on the Second Court Date:

(i) (**ASIC and ASX**) ASIC and ASX issue or provide such consents, approvals or waivers or do such other acts which Bidder determines are necessary or desirable to implement the Transaction and such acts are not withdrawn, including in the case of ASIC, providing the statement required under section 411(17)(b); and

(ii) (**Other Regulatory Approvals**) all other Regulatory Approvals which are necessary to implement the Transaction are obtained.

(b) (**Court orders**) no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition being in effect at 8.00 am on the

Second Court Date which prevents the consummation of any aspect of the Transaction.

(c) (**representations and warranties**):

(i) (**Target**) the representations and warranties of Target set out in **clause 9.2** are materially true and correct; and

(ii) (**Bidder**) the representations and warranties of Bidder set out in **clause 9.3** are materially true and correct,

in each case, as of the date of this document and as at 8.00 am on the Second Court Date.

(d) (**No Material Adverse Change)** no Material Adverse Change occurs or becomes apparent between the date of this document and 8.00 am on the Second Court Date.

(e) (**No Prescribed Occurrence)** no Prescribed Occurrence occurs between the date of this document and 8.00 am on the Second Court Date.

(f) (**Independent Expert Report**) the Independent Expert issues its report which concludes that the Scheme is in the best interests of Scheme Participants before the date on which the Scheme Booklet is registered by ASIC under the Corporations Act and the Independent Expert does not change its conclusions or withdraw its report prior to 8.00 am on the Second Court Date.

(g) (**Target Shareholder approval**) Target Shareholders (excluding any holder of Excluded Shares) approve the Scheme by the necessary statutory majorities at the Scheme Meeting (or any adjournment or postponement of the Scheme Meeting).

(h) (**Court approval of Scheme**) the Court approves the Scheme under section 411(4)(b) of the Corporations Act and an office copy of the Scheme Order is lodged with ASIC as contemplated by section 411(10) of the Corporations Act.

(i) (**FIRB**) before 8.00 am on the Second Court Date either:

(i) The Treasurer of the Commonwealth of Australia (or their delegate) has provided a notice in writing (without any term of condition which Bidder considers unacceptable, acting reasonably) stating or to the effect that, in terms of Australia’s Foreign Investment Policy, the Australian Government do not object to Bidder acquiring the Scheme Shares pursuant to the Scheme; or

(ii) The Treasurer of the Commonwealth of Australia has become precluded by lapse of time from making an order in respect of the acquisition of the Scheme Shares by Bidder pursuant to the Scheme under the Foreign Acquisitions and Takeovers Act 1975.

(j) (**Options**) before 8.00 am on the Second Court Date all outstanding Options:

(i) have vested and been exercised;

(ii) have been lapsed;

(iii) in the case of OPT1, are either cancelled or acquired by Bidder, or agreed to be cancelled or acquired by the Bidder, pursuant to a Cancellation Deed; or

(iv) are otherwise dealt with as is agreed between the parties.

(k) (**PRC approvals**) before 8.00 am on the Second Court Date, Bidder obtaining all approvals, consents, authorisations, registrations and filings as required in connection with the Transaction from the National Development and Reform Commission, the State Administration of Foreign Exchange and the Ministry of Commerce of PRC, and /or at their provincial or municipal departments or counterparts.

3.2 Best endeavours

Each party must use its best endeavours to procure that:

(a) each of the Conditions for which it is responsible is satisfied as soon as practicable after the date of this document, or continues to be satisfied at all times until the last time it is to be satisfied (as the case may require), with a view to the Effective Date occurring on or before the End Date; and

(b) there is no event or circumstance within the reasonable control or influence of that party that would prevent the Conditions being satisfied.

3.3 Regulatory Approvals

Without limiting the generality of **clause 3.2**:

(a) each party must promptly apply for all relevant Regulatory Approvals, providing a copy to the other party of all such applications, and take all steps it is responsible for as part of the approval process for the Scheme, including responding to requests for information at the earliest practicable time; and

(b) each party must use best endeavours to consult with the other in advance in relation to all material communications with any Regulatory Authority relating to any Regulatory Approval and provide the other party with all information reasonably requested in connection with the application for any Regulatory Authority.

3.4 Benefit and waiver of certain Conditions

(a) (**both parties**) Target and Bidder together have the benefit of the Conditions in **clauses 3.1(a)**, **3.1(b)** and **3.1(i)** and any breach or non-fulfilment of those Conditions can only be waived with the consent of both parties.

(b) (**Target**) Target has the benefit of the Conditions in **clauses 3.1(c)(ii)** and **3.1(f)** and any breach or non-fulfilment of those Conditions can only be waived with the consent of Target.

(c) (**Bidder**) Bidder has the benefit of the Conditions in **clauses 3.1(c)(i)**, **3.1(d)**, **3.1(e)**, **3.1(j)** and **3.1(k)** and any breach or non-fulfilment of those Conditions can only be waived with the consent of Bidder.

(d) The Conditions in **clauses 3.1(g)** and **3.1(h)** cannot be waived by either party.

(e) A party entitled to waive a Condition under this **clause 3.4** may do so in its absolute discretion.

(f) If a waiver by a party of a Condition is itself conditional and the other party accepts the condition, the terms of that condition apply accordingly. If the other party does not accept a conditional waiver of the Condition, the Condition has not been waived.

(g) If a party waives the breach or non-fulfilment of any of the Conditions, that waiver will not preclude it from suing the other party for any breach of this document, including a breach that resulted in the non-fulfilment of the Condition that was waived.

(h) Unless specified in the waiver, a waiver of the breach or non-fulfilment of any Condition will not constitute:

   (i) a waiver of breach or non-fulfilment of any other Condition resulting from events or circumstances giving rise to the breach or non-fulfilment of the first Condition; or

   (ii) a waiver of breach or non-fulfilment of that Condition resulting from any other event or circumstance.

3.5 Notification of certain events

(a) Each party must:

   (i) (**keep informed**) promptly and reasonably inform the other either directly or through its Advisers of the steps it has taken and of its progress towards satisfaction of the Conditions;

   (ii) (**notice of satisfaction**) promptly notify the other if it becomes aware that any Condition has been satisfied;

   (iii) (**notice of failure**) promptly notify the other if it becomes aware that any Condition has failed to be satisfied or has become incapable of being satisfied or is not reasonably capable of being satisfied or of any circumstances which may reasonably be expected to lead to such a state of affairs; and

   (iv) (**notice of waiver**) after having given or received a notice in accordance with **clause 3.5(iii)** in relation to a Condition that it is entitled under **clause 3.4** to waive, give notice to the other party as soon as possible (and in any event no later than five Business Days or such shorter time to ensure that notice is given before

5.00 pm on the last Business Day before the Second Court Date) as to whether or not it waives the breach or non-fulfilment of the relevant Condition, specifying the Condition in question.

(b) Subject to the satisfaction and/or waiver of the Conditions, Bidder and Target must each provide the Court on the Second Court Date with a certificate that all of the Conditions (other than the Condition requiring Court approval of the Scheme) are satisfied, or if not satisfied, are waived.

(c) The giving of a certificate by each of the Bidder and Target under **clause 3.5(b)** will in the absence of manifest error, be conclusive evidence of the satisfaction or waiver of the Conditions referred to in the certificate.

3.6 Consultation if Conditions not met

If:

(a) there is a breach or non-fulfilment of a Condition which is not waived in accordance with this document by the time or date specified in this document for its satisfaction; or

(b) there is an act, failure to act, event or occurrence which will prevent a Condition being satisfied by the time or date specified in this document for its satisfaction (and the breach or non-fulfilment of the Condition which would otherwise occur has not already been waived),

then the parties will consult in good faith with a view to determining whether:

(c) the Transaction may proceed by way of alternative means or methods and, if so, to agree on the terms of such alternative means or methods;

(d) to extend the relevant time or date for satisfaction of the Conditions;

(e) to change the date of the application to be made to the Court for the Scheme Order or adjourning that application (as applicable) to another date agreed by the parties; or

(f) to extend the End Date.

3.7 Failure to agree

(a) If the parties are unable to reach agreement under **clause 3.6** within five Business Days (or any shorter period ending at 5.00 pm on the Business Day before the Second Court Date), then unless that Condition is waived in accordance with **clause 3.4**, a party entitled to the benefit of that Condition may (subject to **clause 3.7(b))** terminate this document.

(b) A party will not be entitled to terminate this document pursuant to **clause 3.7(a)** if the relevant Condition has not been satisfied as a result of:

(i) a breach of this document by that party; or

(ii) a deliberate act or omission of that party which either alone or together with other circumstances prevents that condition being satisfied.

(c) Termination of this document under **clause 3.7(a)** does not affect any accrued rights of either party arising from any breach of this document prior to termination.

4 Scheme

4.1 Scheme

Subject to the terms of this document and of the Scheme, Target must propose the Scheme, under which on the Implementation Date:

(a) all of the Scheme Shares held by Scheme Participants will be transferred to Bidder; and

(b) the Scheme Participants will receive the Scheme Consideration.

4.2 Scheme Consideration

Subject to the terms of the Scheme, Bidder covenants in favour of Target (in its own right and separately as trustee or nominee for each of the Scheme Participants), that in consideration for the transfer to Bidder of the Scheme Shares held by a Scheme Participant under the terms of the Scheme, Bidder will on the Implementation Date:

(a) accept that transfer; and

(b) in accordance with the Deed Poll and this document, pay each Scheme Participant the Scheme Consideration.

4.3 Appointment of nominee

Target acknowledges and agrees that Bidder may, no later than 21 days after the date of this document by written notice to Target, nominate the Bidder's Nominee to acquire all of the Scheme Shares instead of Bidder. If any such nomination is made and unless the context otherwise requires, all references in this document with respect to Bidder acquiring all of the Scheme Shares and paying the Scheme Consideration will be construed as if references to Bidder were replaced with references to the Bidder's Nominee. Bidder irrevocably guarantees (as a principal obligation) the due and punctual performance by the Bidder's Nominee of all of its obligations under or in connection with this document, the Scheme and the Deed Poll. If Bidder's Nominee commits any default or breach of this document, Bidder will, immediately on written demand by Target, perform all obligations (if any) of Bidder's Nominee in accordance with the provisions of this document.

5 Steps for implementation

5.1 Target's obligations

Target must execute all documents and do all acts and things within its power as may be necessary or desirable for the implementation and performance of the Scheme on a basis consistent with this document, in accordance with the Timetable, and in particular Target must:

(a) (**announce recommendation of the Scheme**) immediately after execution of this document release the Announcement, including stating that each member of the Target Transaction Sub-Committee:

(i) subject to the Independent Expert concluding that the Scheme is in the best interests of Scheme Participants, and there being no Superior Proposal, recommends to Target Shareholders that Target Shareholders vote in favour of all resolution(s) to be proposed at the Scheme Meeting to approve the Scheme;

(ii) who holds Target Shares intends to vote their Target Shares in favour of the resolution(s) to be proposed at the Scheme Meeting to approve the Scheme,

and not withdraw or modify any of the above statements unless:

(iii) the Independent Expert concludes that the Scheme is not in the best interests of Scheme Participants; or

(iv) there is a Superior Proposal.

(b) (**Scheme Booklet**):

(i) promptly prepare and, subject to approval by the Court, despatch the Scheme Booklet to the Target Shareholders. Target will prepare the Scheme Booklet in accordance with **clause 5.4** and will act in good faith to attempt to ensure that the Scheme Booklet complies with the requirements of:

(A) the Corporations Act and the *Corporations Regulations 2001* (Cth);

(B) ASIC policy; and

(C) the ASX Listing Rules;

(ii) ensure that the Scheme Booklet includes:

(A) the Scheme;

(B) a statement that the Target Transaction Sub-Committee unanimously recommends approval of the Scheme (subject to the Independent Expert concluding the Scheme is in the best interests of Scheme Participants and there being no Superior Proposal); and

(C) notice of Scheme Meeting and proxy form;

(iii) ensure that the Scheme Booklet will:

(A) as at the date the Scheme Booklet is despatched to Target Shareholders, other than in relation to the Bidder Information, not be misleading or deceptive in any material respect (whether by omission or otherwise); and

(B) be updated by all such further or new information which may arise after the Scheme Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that the Target Information is not misleading or deceptive in any material respect (whether by omission or otherwise);

(c) (**Independent Expert**):

(i) promptly appoint the Independent Expert (and any other specialist expert required) and provide all assistance and information reasonably requested by the Independent Expert (and any other specialist expert) in connection with the preparation of the necessary report(s) for inclusion in the Scheme Booklet; and

(ii) on receipt, provide Bidder with a copy of any draft of the Independent Expert's Report (and any other specialist report included in the Independent Expert's Report), for the purposes of verifying the factual accuracy of the draft;

(d) (**approval of Regulator's Draft**) as soon as practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, procure that a meeting of the Target Transaction Sub-Committee is convened to approve that draft as being in a form appropriate for provision to ASIC for review;

(e) (**liaison with ASIC**) as soon as practicable after the resolution referred to in **clause 5.1(d)** is passed, provide the Regulator's Draft, to ASIC, and:

(i) liaise with ASIC during the period of its consideration of that draft of the Scheme Booklet;

(ii) promptly keep Bidder informed of any matters raised by ASIC in relation to the Scheme Booklet, and use all reasonable endeavours in cooperation with Bidder to resolve any such matters; and

(iii) at Bidder's request, allow Bidder to attend meetings and discussions with ASIC or ASX (provided that ASIC and ASX express no objection to same);

(f) (**approval of Scheme Booklet**) as soon as practicable at the conclusion of the review by ASIC of the Scheme Booklet, procure that a meeting of the Target Transaction Sub-Committee is convened to approve the Scheme Booklet in the form approved by ASIC and also to approve an application to the Court for an order that the Scheme Meeting be convened;

(g) (**section 411(17)(b) statements**) apply to ASIC for the production of a statement in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;

(h) (**Register details**) subject to the Scheme:

(i) provide all necessary information about the Target Shareholders to Bidder which Bidder requires in order to assist Bidder to identify the Target Shareholders and to facilitate the payment of the Scheme Consideration to Scheme Participants;

(ii) direct the Target's share registry to promptly provide any information that Bidder reasonably requests in relation to the Register including any sub-register and, where requested by Bidder, Target must procure such information is provided to Bidder in such electronic form as is reasonably requested by Bidder; and

(iii) promptly send such notices under section 672A of the Corporations Act at such times and to such persons as Bidder reasonably requires, and give copies of the responses Target receives to Bidder.

(i) (**Scheme Meeting**) promptly after, and provided that, the approvals in **clauses 5.1(f)** and **5.2(e)** have been received:

(i) apply to the Court for an order under section 411(1) of the Corporations Act directing Target to convene the Scheme Meeting; and

(ii) take all steps necessary to comply with the orders of the Court including, as required, despatching the Scheme Booklet to the Target Shareholders and holding the Scheme Meeting;

(j) (**Court documents**) consult with Bidder in relation to the content of the documents required for the purpose of the First Court Hearing and the Second Court Hearing (including originating process, affidavits, submissions and draft minutes of Court orders) and consider in good faith, for the purpose of amending drafts of those documents, comments from Bidder and its Representatives on those documents;

(k) (**registration of explanatory statement**) request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;

(l) (**approval and implementation of Scheme**) if the resolution submitted to the Scheme Meeting is passed by the necessary majorities and once the Conditions are satisfied or waived, promptly apply (and, to the extent necessary, re-apply) to the Court for orders approving the Scheme and if that approval is obtained:

(i) promptly lodge with ASIC an office copy of the Scheme Order in accordance with section 411(10) of the Corporations Act;

(ii) close the Register as at the Record Date and determine entitlements to the Scheme Consideration in accordance with the Scheme;

(iii) execute proper instruments of transfer, and, subject to Bidder providing the Scheme Consideration, effect and register the transfer, of the Scheme Shares in accordance with the Scheme; and

(iv) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme;

(m) (**ASX listing**) use its best endeavours to ensure that the Target Shares continue to be quoted on the official list conducted by ASX until the Target Suspension Date;

(n) (**legal representation**) allow, and not oppose, any application by Bidder for leave of the Court to be represented, or the separate representation of Bidder by counsel, at the First Court Hearing and the Second Court Hearing;

(o) (**publication of information**) as soon as they become available, publish on its website the First Court Date and the Second Court Date, the date of the Scheme Meeting, and the text of all announcements made to ASX in connection with the Transaction; and

(p) (**compliance with laws**) do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction.

Target will be taken to have fulfilled, in a timely manner, its obligations under this **clause 5.1** if such obligations are completed by the time scheduled for such events as set out in the Timetable.

5.2 Bidder's obligations

Bidder must execute all documents and do all acts and things within its power as may be necessary or desirable for the implementation and performance of the Scheme on a basis consistent with this document, in accordance with the Timetable, and in particular Bidder must:

(a) (**Bidder Information**):

(i) prepare and provide to Target the Bidder Information for the purposes of any Regulatory Approvals and for inclusion in the Scheme Booklet as soon as is reasonably practicable, and consult with Target in relation to the content of the Bidder Information;

(ii) ensure that the Bidder Information is not misleading or deceptive in any material respect (whether by omission or otherwise); and

(iii) provide to Target all such further or new information which may arise after the Scheme Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that the

Bidder Information is not misleading or deceptive in any material respect (whether by omission or otherwise);

(b) (**Independent Expert**) provide all assistance and information reasonably requested by the Independent Expert (and any other specialist expert required) in connection with the preparation of all necessary report(s) for the purposes of the Scheme Booklet;

(c) (**assistance**) provide any assistance or information reasonably requested by Target in connection with the preparation of the Scheme Booklet and any other document to be sent to Target Shareholders in order to facilitate satisfaction of the Condition in **clause 3.1(g)**;

(d) (**approval of draft for ASIC**) as soon as practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, approve the Bidder Information in the Scheme Booklet as being in a form appropriate for provision to ASIC for review;

(e) (**approval of Scheme Booklet**) as soon as practicable at the conclusion of the review by ASIC of the Scheme Booklet, approve the Bidder Information in the Scheme Booklet;

(f) (**legal representation**) procure that, if requested by Target, Bidder is represented by counsel at the First Court Hearing and the Second Court Hearing, at which, through its counsel, Bidder will undertake (if requested by the Court) to do all such things and take all such steps within its power as may be necessary to ensure the fulfilment of its obligations under the Scheme, and, to the extent that leave of the Court is required for Bidder to be represented at the First Court Hearing or the Second Court Hearing, apply for that leave;

(g) (**Deed Poll**) prior to the First Court Date, execute the Deed Poll;

(h) (**Scheme Consideration**) if the Scheme becomes Effective, pay the Scheme Consideration on the Implementation Date in accordance with the Deed Poll and **clause 4.2** of this document; and

(i) (**compliance with laws**) do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction.

Bidder will be taken to have fulfilled, in a timely manner, its obligations under this **clause 5.2** if such obligations are completed by the time scheduled for such event as set out in the Timetable.

5.3 Transaction Implementation Committee

(a) As soon as practicable after the date of this document, the parties will establish the Transaction Implementation Committee made up of the Target Committee Members and of the Bidder Committee Members and such other persons as the parties may agree from time to time.

(b) The role of the Transaction Implementation Committee will be to act as a forum for consultation and planning by the parties to implement the

Transaction and to plan the integration of the businesses of Bidder and Target after the Implementation Date.

(c) Target and Bidder agree to provide such information and make such resources available to the Transaction Implementation Committee as are reasonably required for planning for the operation of the business of Bidder and Target after the Implementation Date and determining potential synergies.

(d) The Transaction Implementation Committee will meet weekly or as otherwise agreed acting reasonably and at more frequent intervals if either Bidder or Target request.

(e) Nothing in this clause requires either party to act at the direction of the other, and each party:

(i) acknowledges that the business of each party and its Subsidiaries will continue to operate independently of the other until the Implementation Date; and

(ii) agrees that nothing in this document constitutes the relationship of a partnership or a joint venture between the parties.

5.4 Preparation of the Scheme Booklet

(a) (**Drafts**) Target must:

(i) make available to Bidder such drafts of the Scheme Booklet as are reasonably requested by Bidder, including all drafts of the Independent Expert's Report (and any other specialist report included in the Independent Expert's Report) received by Target, for the purposes of verifying the factual accuracy of the draft;

(ii) provide to Bidder a revised draft of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised to enable Bidder to review the Regulator's Draft at least three Business Days before its submission to ASIC;

(iii) consult with Bidder in relation to the content of those drafts (including inclusion of any Bidder Information);

(iv) consider in good faith, for the purpose of amending those drafts, comments from Bidder and its Representatives on those drafts; and

(v) obtain the written consent from Bidder for the form and context in which any Bidder Information appears in the Scheme Booklet.

(b) (**Verification**) Bidder must verify all statements forming part of the Bidder Information, and any statements directly derived from Bidder Information, contained in the Scheme Booklet. Bidder will provide such documentation to evidence its verification that Target may reasonably request, including a verification certificate signed by Representatives of Bidder responsible for verification.

(c) (**Dispute**) If there is a dispute on any part of the Scheme Booklet (including the Bidder Information), the parties must refer the matter to the Transaction Implementation Committee for resolution. The Transaction Implementation Committee must use its reasonable endeavours to resolve the dispute within two Business Days from the date of referral of the matter. If the matter cannot be resolved at the Transaction Implementation Committee:

(i) The Target Transaction Sub-Committee Members must make the final determination as to the form and content of the Scheme Booklet (other than in respect of the Bidder Information; and

(ii) The Bidder must make the final determination as to the form and content of the Bidder Information in the Scheme Booklet.

5.5 Compliance with obligations

Target and Bidder each agree to use all reasonable endeavours and utilise all resources reasonably required (including management resources and the resources of external Advisers) to comply with their respective obligations in this **clause 5** and to produce the Scheme Booklet in accordance with the Timetable.

5.6 Access to information

From the date of this document, Target must, and must cause each member of the Target Group to:

(a) afford to Bidder and its Representatives reasonable access to such documents, records and other information (subject to any existing confidentiality obligations owed to third parties), premises, personnel and advisers of Target and the records, premises or personnel of any member of the Target Group and such reasonable co-operation as Bidder reasonably requires for the purpose of:

(i) understanding Target's financial position (including its cashflow and working capital position), trading performance and management control systems;

(ii) meeting its obligations under this document;

(iii) preparing for carrying on the business of the Target Group following implementation of the Scheme;

(iv) facilitating the smooth implementation of the plans of Bidder for the business following implementation of the Scheme;

(v) verifying warranties; and

(vi) any other purpose which is agreed in writing between the parties;

(b) as soon as reasonably practicable provide Bidder and its Representatives with any information reasonably requested by it, including:

(i) monthly management reports for Target and each member of the Target Group; and

(ii) details of any material contracts which are proposed to be entered into,

but nothing in this **clause 5.6** requires Target to provide to the Bidder information concerning Target's:

(c) consideration of the Scheme; or

(d) assessment of the Bidder.

5.7 Board and management changes

As soon as practicable on the Implementation Date, Target must use its reasonable endeavours to ensure that such members of the Target Board as directed by Bidder resign from the Target Board, and that each such director provide written notice to the effect that they have no claim outstanding for loss of office, remuneration or otherwise against Target.

6 Options

6.1 Cancellation Deed – OPT1 holder

Target must:

(a) (**Co-operation**) co-operate with Bidder and otherwise take all reasonable steps to ensure that the OPT1 holder enters into a Cancellation Deed as soon as reasonably practicable, but in any event before the date that is five Business Days before the Regulator's Draft is lodged with ASIC in accordance with the Timetable, under which the OPT1 holder agrees to cancel or transfer to Bidder or Bidder's Nominee (as applicable) each of his OPT1 on or before the Record Date;

(b) (**Payment**) procure that it makes the payment (if any) required under the Cancellation Deed in accordance with its terms to cancel or transfer to Bidder or Bidder's Nominee (as applicable) each of the OPT1 on or before the Record Date;

(c) (**Communications**) keep Bidder fully informed of all communications with OPT1 holder under this **clause 6.1**, and provide to Bidder copies of all documents and correspondence to OPT1 holder, and where applicable, all material individual written communication with such person; and

(d) (**No amendments**) not amend the Cancellation Deed without the written consent of Bidder.

6.2 OPT2 holders

Target and Bidder each acknowledge and agree that:

(a) all OPT2 are currently exercisable;

(b) all OPT2 expire on 30 April 2015 (if not exercised before that date), being a time before the Record Date in the Timetable;

(c) the Record Date will not be amended in any circumstances to a time on or before 30 April 2015;

(d) any OPT2 that is exercised before the expiry date will become a Scheme Share and will be treated accordingly under this document; and

(e) any OPT2 that is not exercised before the expiry date will lapse and will not form part of the Transaction.

6.3 Best endeavours

Target and Bidder each agree to use best endeavours (including management resources) to comply with their obligations in this **clause 6**.

7 Conduct of business

7.1 Conduct of business

From the date of this document up to and including the Implementation Date, Target must conduct, and it must procure that each member of the Target Group conducts, their respective businesses in the ordinary and proper course consistent with business plans and budgets made public or previously disclosed to Bidder prior to the date of this document and in substantially the same manner as previously conducted, including:

(a) compliance in all material respects with all applicable laws and regulations;

(b) maintaining its businesses and assets;

(c) keeping available the services of its Officers and employees; and

(d) preserving its relationships with customers, suppliers, licensors, licensees, joint venturers and others with whom it has business dealings.

7.2 Prohibited Actions

Without limiting **clause 7.1,** Target must not, and must ensure that each other member of the Target Group does not permit a Material Adverse Change or Prescribed Occurrence to occur, to the extent that such event or occurrence is within the control of Target or any member of the Target Group.

8 Exclusivity

8.1 No current discussions

Target represents and warrants to Bidder that, as at the date of this document, neither it nor any of its Representatives:

(a) has received any offer, proposal or expression of interest from any person or otherwise is participating, directly or indirectly, in any discussions or negotiations with any persons that concern, or could reasonably be expected to lead to, a Third Party Proposal; or

(b) is a party to any agreement, arrangement or understanding with any person in relation to a Third Party Proposal or a possible Third Party Proposal that prevents it from entering into this document, or may prevent it from complying with its obligations under this document.

8.2 Notification of approaches

(a) During the Exclusivity Period, Target must within three Business Days notify Bidder in writing of:

(i) any approach, inquiry or proposal made to, and any attempt to initiate negotiations or discussions with, Target or any of its Representatives with respect to any Third Party Proposal; or

(ii) any request for information relating to any of Target or any member of the Target Group or any of their businesses or operations, if Target has reasonable grounds to suspect that it may relate to a current or future Third Party Proposal.

(b) A notice under this clause must include comprehensive details of the applicable matter, including the key terms of the Third Party Proposal (including, if specified, the identity of the person making the Third Party Proposal, consideration, conditions, structure, timing, break fee, financing and due diligence requirements).

8.3 Matching right

Target will not enter into any agreement, arrangement or understanding in relation to a Third Party Proposal without giving Bidder not less than three Business Days to:

(a) consider the Third Party Proposal; and

(b) make a new proposal or propose a revision to the Transaction (**Counterproposal**) which is on terms no less favourable than the terms of the Third Party Proposal. If Bidder’s Counterproposal is on terms no less favourable than the Third Party Proposal, Target must, in the absence of a Superior Proposal, proceed exclusively with Bidder’s Counterproposal.

8.4 Revisions to a Third Party Proposal

Any material modification to any Third Party Proposal will be deemed to make that proposal a new Third Party Proposal in respect of which Target must comply with its obligations under **clauses 8.2** and **8.3**.

9 Representations and warranties

9.1 Preliminary

(a) Each of the representations and warranties of Target and Bidder in **clauses 9.2** and **9.3** respectively are subject to:

(i) any matter disclosed to ASX; and

(ii) any relevant information of which the other party or its Representatives (other than its Advisers) has actual knowledge, except where such knowledge was obtained by a Representative of the Bidder in their capacity as an officer or employee of the Target.

(b) Each of the representations and warranties of Target and Bidder in **clauses 9.2** and **9.3** respectively is given, unless otherwise expressly stated, as at each of the date of this document, the date of the Scheme Meeting, 8.00 am on the Second Court Date and on the Implementation Date.

9.2 Target's representations

Target represents and warrants to Bidder that:

(a) (**status**) it, and each of its Related Bodies Corporate, is a body corporate duly incorporated under the laws of its jurisdiction of incorporation or formation;

(b) (**power for business**) each member of the Target Group has the power to own its assets and to carry on its business as now conducted or contemplated;

(c) (**power for document**) it has the corporate power to enter into and perform or cause to be performed its obligations under this document and the Transaction and to carry out the transactions contemplated by this document and the Transaction;

(d) (**corporate authorisations**) it has taken or will take all necessary corporate action to authorise the entry into and performance of this document and the Transaction and to carry out the transactions contemplated by this document and the Transaction;

(e) (**document binding**) this document is a valid and binding obligation enforceable in accordance with its terms, subject to any necessary stamping;

(f) (**transactions permitted**) the execution and performance by it of its obligations under this document and each transaction contemplated by this document and the Transaction did not and will not:

(i) violate in any material respect a provision of a law or treaty or a judgment, ruling, order or decree of a Regulatory Authority binding on it, or its constitution or any other document or agreement that is binding on it or its assets; or

(ii) give to any person any rights of termination, amendment, acceleration or cancellation of any material contract;

(g) (**continuous disclosure**) it has materially complied with its obligations under chapter 3 of the ASX Listing Rules and the information disclosed to ASX is true and correct in all material respects, and no information is being withheld pursuant to Listing Rule 3.1A;

(h) (**provision of Target Information**) the Target Information included in the Scheme Booklet:

(i) will be included in good faith and on the understanding that Bidder and each of the Officers of Bidder will rely on that information for the purposes of considering and approving the Bidder Information in the Scheme Booklet and approving the entry by Bidder into the Deed Poll, and that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert's Report; and

(ii) will comply in all material respects with the requirements of the Corporations Act, the ASX Listing Rules and all relevant policy statements, practice notes and other guidelines and requirements of ASIC and the Takeovers Panel;

(i) (**Target Information true**) the Target Information included or incorporated by reference in the Scheme Booklet will not, as at the date of despatch of the Scheme Booklet to the Target Shareholders, contain any statement which is misleading or deceptive in any material respect (by omission or otherwise);

(j) (**securities**) its issued securities as at the date of this document are:

(i) 931,850,665 Target Shares;

(ii) 80,246,764 Options comprised of:

(A) 72,246,764 OPT2 exercisable at $0.27 per Target Share on or before 30 April 2015; and

(B) 8,000,000 OPT1 exercisable at $0.241 per Target Share on or before 22 August 2017,

and no member of the Target Group is under any obligation to issue any shares or securities convertible into Target Shares to any person and, except as specified above, no option exists nor is any member of the Target Group subject to any actual or contingent obligation to issue or convert securities;

(k) (**performance units**) all issued performance units are a cash settled incentive payment to management only and are not convertible into any form of securities in the Target;

(l) (**no performance rights**) there are no performance rights or other similar rights or grants on issue that are convertible into any form of securities in the Target;

(m) (**Subsidiaries**) it is the beneficial owner of all the issued share capital in each of its Subsidiaries and there is no obligation to transfer, or issue new shares in any of those companies to third parties;

(n) (**employee incentive arrangements**) it has disclosed to Bidder the terms applicable to all existing employee incentive arrangements;

(o) (**financial statements**) the consolidated financial statements of Target lodged with ASIC and/or ASX:

(i) complied in all material respects with the Corporations Act and all applicable accounting requirements applicable to the preparation of the financial statements;

(ii) complied in all material respects with Australian generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as may be indicated in the notes to the financial statements); and

(iii) fairly presented the consolidated financial position of the Target Group as at the dates of the relevant financial statements and the consolidated results of the Target Group's operations and cash flows for the relevant periods; and

(p) (**compliance with laws**) as far as Target is aware, after making enquiries of its Officers, each member of the Target Group has complied in all material respects with all applicable laws and regulations which would, if breached, have a material adverse effect on:

(i) the financial position of the Target Group as a whole; or

(ii) the implementation of the Transaction.

9.3 Bidder's representations

Bidder represents and warrants to Target that:

(a) (**status of Bidder**) it and each of its Related Bodies Corporate is a body corporate duly incorporated under the laws of its jurisdiction of incorporation or formation;

(b) (**power for business**) each member of the Bidder Group has the power to own its assets and to carry on its business as now conducted or contemplated;

(c) (**power for document**) it has the corporate power to enter into and perform or cause to be performed its obligations under this document, the Transaction and the Deed Poll and to carry out the transactions contemplated by this document, the Transaction and the Deed Poll that are required to be carried out by Bidder;

(d) (**corporate authorisations**) it has taken or will take all necessary corporate action to authorise the entry into and performance of this document, the Transaction and the Deed Poll and to carry out the transactions contemplated by this document, the Transaction and the Deed Poll that are required to be carried out by Bidder;

(e) (**document binding**) this document is a valid and binding obligation enforceable in accordance with its terms;

(f) (**transactions permitted**) the execution and performance by it of its obligations under this document, the Transaction and the Deed Poll and each transaction contemplated by this document, the Transaction and the Deed Poll did not and will not violate in any material respect a provision of a law or treaty or a judgment, ruling, order or decree of a Regulatory Authority binding on it, or its constitution or any other document or agreement that is binding on it or its assets;

(g) (**provision of Bidder Information**) the Bidder Information:

(i) will be provided in good faith and on the understanding that Target and each of the Officers of Target will rely on that information for the purposes of preparing the Scheme Booklet and proposing the Scheme, and that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert's Report; and

(ii) will comply in all material respects with the requirements of the Corporations Act, the ASX Listing Rules and all relevant policy statements, practice notes and other guidelines and requirements of ASIC and the Takeovers Panel;

(h) (**Bidder Information true**) the Bidder Information included or incorporated by reference in the Scheme Booklet in the form consented to by Bidder will not, as at the date of dispatch of the Scheme Booklet to the Target Shareholders, contain any statement which is misleading or deceptive in any material respect (by omission or otherwise);

(i) (**compliance with laws**) as far as Bidder is aware, after making enquiries of its Officers, each member of the Bidder Group has complied in all material respects with all applicable laws and regulations which would, if breached, have a material adverse effect on:

(i) the financial position of the Bidder Group; or

(ii) the implementation of the Transaction.

9.4 Reliance by parties

Each party (the **representor**) acknowledges that in entering into this document the other party has relied on the representations and warranties provided by the representor under this **clause 8**.

9.5 Survival of representations

The representations and warranties provided by each party under this **clause 8**:

(a) are severable;

(b) will survive the termination of this document; and

(c) are given with the intent that liability under them will not be confined to breaches of them discovered prior to the date of termination of this document.

9.6 Notification of breach and compliance certificate

(a) Bidder and Target will respectively promptly advise each other in writing of:

(i) a representation or warranty provided in this document by either party becoming false; or

(ii) a breach of this document by it.

(b) By 5.00 pm on the Business Day immediately before the Second Court Date, each of Bidder and Target must execute and deliver to the other party a certificate signed by a director that, having made all relevant enquiries and except as previously disclosed in writing:

(i) it has complied in all material respects with its obligations under this document; and

(ii) the representations and warranties given by it under **clause 8** remain true and correct in all material respects.

10 Indemnities

10.1 Target's indemnity

Target agrees with Bidder (on its own behalf and separately as trustee for each of the Bidder Indemnified Parties) to indemnify and keep indemnified the Bidder Indemnified Parties from and against all Losses which a Bidder Indemnified Party may suffer or incur by reason of or in relation to:

(a) a breach by Target of any of the representations and warranties in **clause 9.2**; or

(b) any breach by Target of any covenant or undertaking on the part of Target under this document or the Scheme.

This **clause 10.1** must be read down to the extent necessary to ensure that there is no breach of section 199A of the Corporations Act.

10.2 Bidder's indemnity

Bidder agrees with Target (on its own behalf and separately as trustee for each of the Target Indemnified Parties) to indemnify and keep indemnified the Target Indemnified Parties from and against all Losses which a Target Indemnified Party may suffer or incur by reason of or in relation to:

(a) a breach by Bidder of any of the representations and warranties in **clause 9.3**; or

(b) any breach by Bidder of any covenant or undertaking on the part of Bidder under this document, the Deed Poll or the Scheme.

This **clause 10.2** must be read down to the extent necessary to ensure that there is no breach of section 199A of the Corporations Act.

10.3 Survival of indemnities

Each indemnity provided by each party under this **clause 10** will:

(a) be severable;

(b) be a continuing obligation;

(c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this document; and

(d) survive the termination of this document.

11 Confidentiality

11.1 Target's obligations

Target acknowledges and agrees that:

(a) it will use the Bidder Confidential Information exclusively for the purpose of due diligence, preparing the Scheme Booklet and in relation to the Transaction, including any submission to a Regulatory Authority necessary for satisfaction of a Condition (**Disclosure Purpose**) and for no other purpose, and without limitation, will not make any use of the Bidder Confidential Information or any part of it to the competitive disadvantage of the Bidder Group;

(b) it will keep the Bidder Confidential Information in confidence and will not disclose the Bidder Confidential Information except:

  (i) to such Representatives of Target as require the Bidder Confidential Information for the Disclosure Purpose, but only if any such person owes a duty of confidentiality to Target and is aware of the obligations of Target under this **clause 11.1**;

  (ii) as required by law; or

  (iii) with the prior consent of Bidder;

(c) it will immediately notify Bidder of any suspected or actual unauthorised use, copying or disclosure of the Bidder Confidential Information; and

(d) it will, upon request by Bidder, return to Bidder all Bidder Confidential Information provided to Target and its Representatives, together with any notes, records or copies of the Bidder Confidential Information generated by any such person.

11.2 Bidder's obligations

Bidder acknowledges and agrees that:

(a) it will not make any use of the Target Confidential Information or any part of it except in connection with the Disclosure Purpose and will not make any use of the Target Confidential Information or any part of it to the competitive disadvantage of the Target Group;

(b) it will keep the Target Confidential Information in confidence and will not disclose the Target Confidential Information except:

(i) to such Representatives of Bidder as require the Target Confidential Information in connection with the Disclosure Purpose, but only if any such person owes a duty of confidentiality to Bidder and is aware of the obligations of Bidder under this **clause 11.2**;

(ii) as required by law; or

(iii) with the prior consent of Target;

(c) it will immediately notify Target of any suspected or actual unauthorised use, copying or disclosure of the Target Confidential Information; and

(d) it will, upon request by Target, return to Target all Target Confidential Information provided to Bidder and its Representatives, together with any notes, records or copies of the Target Confidential Information generated by any such person.

12 Public announcements

12.1 Announcement of Transaction

Immediately after execution of this document, the Target will release the Announcement to the ASX.

12.2 Public announcements

Subject to **clause 12.3**, no public announcement or disclosure (including any briefing to analysts, the media or shareholders) of the Transaction or any other transaction the subject of this document may be made other than in a form approved by each party (acting reasonably), but each party must use all reasonable endeavours to provide such approval as soon as practicable.

12.3 Required disclosure

Where a party is required by law or the ASX Listing Rules or the rules of the Shanghai Stock Exchange, the Hong Kong Stock Exchange or any other applicable securities exchange to make any announcement or to make any disclosure in connection with the Transaction or any other transaction the subject of this document, it may do so only after it has given at least one Business Day's notice, or such lesser period as may be required or permitted to comply with its legal or regulatory responsibilities, but in any event prior notice, to the other party and has taken all reasonable steps to consult with the other party and its legal advisers and to take account of all reasonable comments received from the other party.

12.4 Statements on termination

The parties must act in good faith and use all reasonable endeavours to issue an agreed statement or statements in respect of any termination provided for in this document and will make no statements or disclosure in respect of the termination of this document except in accordance with **clauses 12.2** and **12.3**.

13 Termination

13.1 Termination events

This document may be terminated with immediate effect by either party giving notice in writing to the other if:

(a) (**resolution voted down**) the resolution to approve the Scheme submitted to the Scheme Meeting is not approved by the requisite statutory majorities of Target Shareholders;

(b) (**End Date**) the Effective Date has not occurred on or before the End Date;

(c) (**material breach**) the other party is in material breach of its obligations under this document at any time before 8.00 am on the Second Court Date (including any material breach of a representation or warranty provided under this document) and (if capable of remedy) has failed to remedy the breach within three Business Days of receipt by it of written notice from the first party notifying the other party of the breach (or such shorter period ending at 5.00 pm on the last Business Day before the Second Court Hearing);

(d) (**restraint**) any court, the Takeovers Panel or Regulatory Authority has issued any order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, or has refused to do anything necessary to permit the Scheme, and the parties fail to agree on conducting on appeal within five Business Days;

(e) (**Conditions**) any of the Conditions is not satisfied, has become incapable of being satisfied or is not reasonably capable of being satisfied, and has not been waived by the party entitled to waive it, before 8.00 am on the Second Court Date; or

(f) (**insolvency**) an Insolvency Event has occurred in relation to any member of the Target Group (in which case Bidder may terminate) or any member of the Bidder Group (in which case Target may terminate).

13.2 Effect of termination

If this document is terminated by a party under this **clause 13**:

(a) each party will be released from its obligations under this document except its obligations under **clauses 8**, **10**, **11**, **12**, **14**, and **16** which will survive termination;

(b) each party will retain the rights it has or may have against the other party in respect of any past breach of this document; and

(c) in all other respects, all future obligations of the parties under this document will immediately terminate and be of no further force or effect, including without limitation any further obligations in respect of the Scheme.

14 GST

14.1 Construction

In this **clause 14**:

(a) unless there is a contrary indication, words and expressions which are not defined in this document but which have a defined meaning in the GST Law have the same meaning as in the GST Law;

(b) **GST Law** has the same meaning given to that expression in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) or, if that Act does not exist for any reason, means any Act imposing or relating to the imposition or administration of a goods and services tax in Australia and any regulation made under that Act; and

(c) references to GST payable and input tax credit entitlements include:

(i) notional GST payable by, and notional input tax credit entitlements of the Commonwealth, a State or a Territory (including a government, government body, authority, agency or instrumentality of the Commonwealth, a State or a Territory); and

(ii) GST payable by, and the input tax credit entitlements of, the representative member of a GST group of which the entity is a member.

14.2 Consideration GST exclusive

Unless otherwise expressly stated, all consideration, whether monetary or non-monetary, payable or to be provided under or in connection with this document is exclusive of GST (**GST-exclusive consideration**).

14.3 Payment of GST

If GST is payable on any supply made by:

(a) a party; or

(b) an entity that is taken under the GST Law to make the supply by reason of the capacity in which a party acts,

(**Supplier**) under or in connection with this document, the recipient of the supply, or the party providing the consideration for the supply, must pay to the Supplier an amount equal to the GST payable on the supply.

14.4 Timing of GST payment

The amount referred to in **clause 14.3** must be paid in addition to and at the same time and in the same manner (without any set-off or deduction) that the GST-exclusive consideration for the supply is payable or to be provided.

14.5 Tax invoice

The Supplier must deliver a tax invoice or an adjustment note to the recipient of a taxable supply before the Supplier is entitled to payment of an amount under **clause 14.3**.

14.6 Adjustment event

If an adjustment event arises in respect of a supply made by a Supplier under or in connection with this document, any amount that is payable under **clause 14.3** will be calculated or recalculated to reflect the adjustment event and a payment will be made by the recipient to the Supplier or by the Supplier to the recipient as the case requires.

14.7 Reimbursements

(a) Where a party is required under or in connection with this document to pay for, reimburse or contribute to any expense, loss, liability or outgoing suffered or incurred by another party or indemnify another party in relation to such an expense, loss, liability or outgoing (**Reimbursable Expense**), the amount required to be paid, reimbursed or contributed by the first party will be reduced by the amount of any input tax credits to which the other party is entitled in respect of the Reimbursable Expense.

(b) This **clause 14.7** does not limit the application of **clause 14.3**, if appropriate, to the Reimbursable Expense as reduced in accordance with **clause 14.7(a)**.

14.8 No merger

This **clause 14** does not merge on the completion, rescission or other termination of this document or on the transfer of any property supplied under this document.

15 Notices

15.1 General

A notice, demand, certification, process or other communication (**Notice**) relating to this document must be in writing in English and may be given by an agent of the sender.

15.2 Notices to be faxed

A Notice must be given to a party by being sent by fax to the party's current fax number for notices with a copy by e-mail.

15.3 Particulars for delivery of notices

(a) The particulars for delivery of notices are initially:

Bidder

Attention: Mr Robin Wang

Fax: +86 592 2933 645

Email: wang.chao@zijinmining.com

copy to:

Attention: David Hallam, Partner, Corrs Chambers Westgarth

Fax: +61 3 9672 3010

Email: David.Hallam@corrs.com.au

Target

Attention: Dr Dianmin Chen

Fax: +61 (8) 9263 9777

Email: dchen@nortongoldfields.com.au

copy to:

Attention: Robyn Ferguson, Partner, HopgoodGanim

Fax: +61 8 9221 9100

Email: r.ferguson@hopgoodganim.com.au

(b) Each party may change its particulars for delivery of notices by notice to each other party.

15.4 Communications by fax

Subject to **clause 15.5**, a communication is given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

15.5 After hours communications

If a communication is given:

(a) after 5.00 pm in the place of receipt; or

(b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

15.6 Process service

Any process or other document relating to litigation, administrative or arbitral proceedings relating to this document may be served by any method contemplated by this **clause 15** or in accordance with any applicable law.

16 General

16.1 Duty

(a) Bidder as between the parties is liable for and must pay all duty (including any fine, interest or penalty except where it arises from default by the other party) on or relating to this document, the Scheme, the Deed Poll, any document executed under any of these, or any dutiable transaction evidenced or effected by any of these.

(b) If a party other than Bidder pays any duty (including any fine, interest or penalty) on or relating to this document, the Scheme, the Deed Poll, any document executed under any of these, or any dutiable transaction evidenced or effected by any of these, Bidder must pay that amount to the paying party on demand.

16.2 Legal costs

Except as expressly stated otherwise in this document, each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this document.

16.3 Amendment

This document may only be varied or replaced by a document executed by the parties.

16.4 Waiver and exercise of rights

(a) A single or partial exercise or waiver by a party of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.

(b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

16.5 Rights cumulative

Except as expressly stated otherwise in this document, the rights of a party under this document are cumulative and are in addition to any other rights of that party.

16.6 Consents

Except as expressly stated otherwise in this document, a party may conditionally or unconditionally give or withhold any consent to be given under this document and is not obliged to give its reasons for doing so.

16.7 Further steps

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document and to perform its obligations under it.

16.8 Governing law and jurisdiction

(a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.

(b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

16.9 Assignment

(a) A party must not assign or deal with any right under this document without the prior written consent of the other parties.

(b) Any purported dealing in breach of this clause is of no effect.

16.10 Liability

An obligation of two or more persons binds them separately and together.

16.11 Counterparts

This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

16.12 Entire understanding

(a) This document and the Confidentiality Agreement contains the entire understanding between the parties as to the subject matter of this document.

(b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are merged in and superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.

(c) No oral explanation or information provided by any party to another:

  (i) affects the meaning or interpretation of this document; or

  (ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

16.13 Relationship of parties

This document is not intended to create a partnership, joint venture or agency relationship between the parties.

16.14 No merger

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this document. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing a transaction.

16.15 Specific performance

The parties acknowledge that damages will not be an adequate remedy for breaches of obligations under this document and that it would be appropriate for a court to grant specific performance of those obligations.

16.16 Construction

Unless expressed to the contrary, in this document:

(a) words in the singular include the plural and vice versa;

(b) any gender includes the other genders;

(c) if a word or phrase is defined its other grammatical forms have corresponding meanings;

(d) 'includes' means includes without limitation;

(e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;

(f) words and phrases have the same meaning (if any) given to them in the Corporations Act;

(g) a reference to:

- (i) a holder includes a joint holder;
- (ii) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
- (iii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
- (iv) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
- (v) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
- (vi) a right includes a benefit, remedy, discretion or power;
- (vii) time is to local time in Perth, Western Australia;
- (viii) '$' or 'dollars' is a reference to Australian currency;

(ix) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;

(x) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions;

(xi) this document includes all schedules and annexures to it; and

(xii) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document;

(h) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day;

(i) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded; and

(j) a reference to any statement, including a warranty made by a party on the basis of its knowledge, belief or awareness, is made on the basis of the actual knowledge, belief or awareness of the Officers of the party (and no other persons) as at the date of this document.

16.17 Headings

Headings do not affect the interpretation of this document.

Schedule 1

Timetable

Action	Indicative Date
Draft Scheme Booklet lodged with ASIC	Early March 2015
Deed Poll executed by Bidder	Late March 2015
First Court Date	Late March 2015
Scheme Booklet registered by ASIC and released on ASX	Late March 2015
Scheme Booklet dispatched to Target Shareholders	Early April 2015
Scheme Meeting	Early May 2015
Second Court Date	Mid-May 2015
Effective Date: office copy of Court order approving the Scheme lodged with ASIC	Mid-May 2015
Target Suspension Date	Mid-May 2015
Record Date	Late May 2015
Implementation Date	Late May 2015

Execution

Executed as an agreement.

Executed by **Zijin Mining Group Co., Ltd**)
)

LIU QIANG
....
Company Secretary/Director

....
Name of Company Secretary/Director (print)

CHEN JING HE
....
Director

....
Name of Director (print)

Executed by **Norton Gold Fields Limited**)
)

RICHARD JONES
....
Company Secretary/Director

....
Name of Company Secretary/Director (print)

DIANMIN CHEN
....
Director

....
Name of Director (print)

Annexure A - Scheme of Arrangement

See Schedule 4 of this Scheme Booklet

Annexure B - Deed Poll

See Schedule 3 of this Scheme Booklet

Annexure C - Announcement

Omitted intentionally - refer ASX announcement made 6 February 2015

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Melbourne
Brisbane
Perth

Zijin Mining Group Co., Ltd

Jinyu (H.K.) International Mining Company Limited

Deed Poll

Ref: DRH/CMT 12624075/6

Contents

Date

By

Zijin Mining Group Co., Ltd of No.1 Zijin Road Shanghang County, Fujian, China (**Bidder**);

and

Jinyu (H.K.) International Mining Company Limited of Suites 3712-15 Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong (**Bidder's Nominee**),

in favour of each Scheme Participant.

Background

A The Target Transaction Sub-Committee considers that it is in the interests of Target and Target's Shareholders that Target Shareholders consider the Scheme. The Target Transaction Sub-Committee has therefore resolved that Target propose the Scheme.

B The effect of the Scheme will be that all Scheme Shares will be transferred to Bidder's Nominee.

C Bidder and Target have entered into the Scheme Implementation Agreement.

D Under the Scheme Implementation Agreement, Bidder agreed, subject to the satisfaction or waiver of certain conditions, to do all things necessary or desirable on its part to implement the Scheme, including providing the Scheme Consideration.

E Bidder has appointed Bidder's Nominee, in accordance with clause 4.3 of the Scheme Implementation Agreement, to acquire all of the Scheme Shares and to pay the Scheme Consideration.

F Bidder and Bidder's Nominee are entering into this document for the purpose of covenanting in favour of Scheme Participants to perform their respective obligations under the Scheme.

Declarations

1 Definitions

In this document these terms have the following meanings:

Scheme The scheme of arrangement under section 411 of the Corporations Act between Target and the Scheme Participants, subject to any alterations or conditions made

	or required by the Court pursuant to section 411(6) of the Corporations Act and approved in writing by Target and Bidder.
Target	Norton Gold Fields Limited ACN 112 287 797.
Target Transaction Sub-Committee	The sub-committee established by Target in relation to the Transaction, comprising Anne Bi, Noel White and Dianmin Chen.

Words and phrases defined in the Scheme have the same meaning in this document unless the context requires otherwise.

2 Nature of this deed poll

Each of Bidder and Bidder's Nominee acknowledge that:

(a) this document may be relied on and enforced by any Scheme Participant in accordance with its terms, even though the Scheme Participants are not party to it; and

(b) under the Scheme, each Scheme Participant irrevocably appoints Target and any of Target's directors as its agent and attorney, inter alia, to enforce this document against Bidder and Bidder's Nominee.

3 Conditions precedent and termination

3.1 Conditions precedent

The obligations of Bidder and Bidder's Nominee in respect of the Scheme pursuant to this document are subject to the Scheme becoming Effective.

3.2 Termination

If:

(a) the Scheme Implementation Agreement is terminated in accordance with its terms; or

(b) the Scheme does not become Effective on or before the End Date,

Bidder's and Bidder's Nominee's obligations under this document will automatically terminate, unless Bidder and Target otherwise agree in writing in accordance with the Scheme Implementation Agreement.

3.3 Consequences of termination

If this document is terminated under **clause 3.2** then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

(a) Bidder and Bidder's Nominee are released from their obligations to further perform this document; and

(b) each Scheme Participant retains any rights, power or remedies it has against either Bidder or Bidder's Nominee in respect of any breach of this document by Bidder or Bidder's Nominee which occurred before termination of this document.

4 Certificate in relation to conditions

Bidder must provide to the Court on the Second Court Date a certificate which is signed by at least one director of Bidder (or such other evidence as the Court may request) stating, to the best of its knowledge, whether or not the conditions precedent to the Scheme have been satisfied or waived, subject to the terms of the Scheme Implementation Agreement as at 8.00 am on the Second Court Date.

5 Scheme Consideration

5.1 Performance of obligations generally

Subject to **clause 3.1**, each of Bidder and Bidder's Nominee must comply with their respective obligations under the Scheme Implementation Agreement and must do all things necessary or desirable on their part to implement the Scheme.

5.2 Provision of Scheme Consideration

Subject to **clause 3.1**, in consideration of the transfer to Bidder's Nominee of all of the Scheme Shares:

(a) Bidder's Nominee undertakes in favour of each Scheme Participant to provide the Scheme Consideration to each Scheme Participant in accordance with the Scheme and **clause 5.3**; and

(b) Bidder undertakes in favour of each Scheme Participant to procure that Bidder's Nominee pays the Scheme Consideration in accordance with the Scheme and **clause 5.3**.

5.3 Payment of Scheme Consideration

The obligation of Bidder's Nominee to provide the Scheme Consideration to Scheme Participants will be satisfied by:

(a) Bidder's Nominee, before 5.00pm on the Business Day prior to the Implementation Date, depositing (or procuring the deposit of) an amount equal to the Total Scheme Consideration in cleared funds into an Australian dollar denominated trust account, operated by Target as trustee for the Scheme Participants, to be held on trust for the Scheme Participants for the purpose of paying the Scheme Consideration to each Scheme Participant, except that any interest on the amounts deposited (less bank fees and other charges) will be to Bidder's Nominee's account; and

(b) on the Implementation Date, Bidder's Nominee must execute the Scheme Transfer as contemplated by **clause 4.2** of the Scheme effecting the transfer of the Scheme Shares from the Scheme Participants to Bidder's Nominee and must deliver the executed Scheme Transfer to Target for registration.

6 Representations and warranties

Each of Bidder and Bidder's Nominee represent and warrant that:

(a) it is a company validly existing under the laws of its place of incorporation;

(b) it has the corporate power to enter into and perform its obligations under this document and to carry out the transactions contemplated by this document;

(c) it has taken all necessary corporate action to authorise the entry into this document and has taken or will take all necessary corporate action to authorise the performance of this document and to carry out the transactions contemplated by this document; and

(d) this document is valid and binding on it and enforceable in accordance with its terms.

7 Continuing obligations

This document is irrevocable and, subject to **clause 3**, remains in full force and effect until:

(a) each of Bidder and Bidder's Nominee has completely performed its obligations under this document; or

(b) this document is terminated in accordance with **clause 3**,

whichever comes first.

8 Stamp duty

Bidder will:

(a) pay all stamp duties and any related fines, interest and penalties in respect of or in connection with this document, the performance of this document and each transaction effected by or made or any instrument executed under this document or the Scheme, including the transfer of Scheme Shares under the Scheme; and

(b) indemnify each Scheme Participant on demand against any liability arising from its failure to comply with **clause 8(a)**.

9 Notices

9.1 General

Any notice, transfer, transmission, application, direction, demand, consent or other communication (**Notice**) given or made to Bidder or Bidder's Nominee under this document must be in writing in English and signed by the sender or a person duly authorised by the sender.

9.2 Notices to be faxed

A Notice must be given to Bidder or Bidder's Nominee by being sent by fax to Bidder's current fax number for notices with a copy by e-mail.

9.3 Particulars for delivery of notices

The particulars for delivery of Notices to Bidder or Bidder's Nominee are:

Attention:	Mr Robin Wang
Fax:	+86 592 2933 645
Email:	wang.chao@zijinmining.com
copy to:	
Attention:	David Hallam, Partner, Corrs Chambers Westgarth
Fax:	+61 3 9672 3010
Email:	David.Hallam@corrs.com.au

9.4 Communications by fax

Subject to **clause 9.5**, a Notice is given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

9.5 After hours communications

If a Notice is given:

(a) after 5.00 pm in the place of receipt; or

(b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

9.6 Process service

Any process or other document relating to litigation, administrative or arbitral proceedings relating to this document may be served by any method contemplated by this **clause 9** or in accordance with any applicable law.

10 General

10.1 Waiver

Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this document by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other rights, power or remedy provided by law or under this document. A waiver is not valid or binding on the person granting that waiver unless made in writing.

10.2 Cumulative rights

The rights, powers and remedies of Bidder and Bidder's Nominee, and of each Scheme Participant, under this document are cumulative and do not exclude any other rights, powers or remedies provided by law or equity independently of this document.

10.3 Amendment

A provision of this document may not be varied unless:

(a) before the Second Court Date, the variation is agreed to in writing by Target; or

(b) on or after the Second Court Date, the variation is agreed to in writing by Target and is approved by the Court,

in which event each of Bidder and Bidder's Nominee must enter into a further deed poll in favour of the Scheme Participants giving effect to that amendment.

10.4 Assignment

The rights and obligations of Bidder and Bidder's Nominee, and of each Scheme Participant, under this document are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity and no person may attempt, or purport, to do so without the prior written consent of Bidder, Bidders' Nominee and Target.

10.5 Severability

If the whole or any part of a provision of this document is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this document has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This **clause 10.5** has no effect if the severance alters the basic nature of this document or is contrary to public policy.

10.6 Further assurances

Each of Bidder and Bidder's Nominee will execute and deliver all documents and do all acts and things (on its own behalf and on behalf of each Scheme Participant) necessary or desirable to give full effect to this document and the transactions contemplated by it.

10.7 Governing law and jurisdiction

(a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.

(b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia, and any courts which have jurisdiction to hear appeals from any of those courts, and waives any right to object to any proceedings being brought in those courts.

10.8 Construction

The rules specified in **clause 10.7** of the Scheme apply in interpreting or construing this document, unless the context requires otherwise.

10.9 Headings

Headings do not affect the interpretation of this document.

Execution

Executed as a deed poll.

Executed by **Zijin Mining Group Co., Ltd**	))	
LIU QIANG .... Company Secretary/Director		LAN FUSHENG .... Director
.... Name of Company Secretary/Director (print)		.... Name of Director (print)

Executed by **Jinyu (H.K.) International Mining Company Limited**	))	
FAN CHEUNG MAN .... Company Secretary/Director		LAN FUSHENG .... Director
.... Name of Company Secretary/Director (print)		.... Name of Director (print)

Bourke Place
600 Bourke Street Melbourne VIC 3000
GPO Box 9925 Melbourne VIC 3001
Tel +61 3 9672 3000
Fax +61 3 9672 3010
www.corrs.com.au

Sydney
Melbourne
Brisbane
Perth

Norton Gold Fields Limited

The holders of ordinary shares in Norton Gold Fields Limited

Scheme of arrangement

Pursuant to section 411 of the Corporations Act

Ref: DRH/CMT 12624096/5

Contents

Date

Parties

Norton Gold Fields Limited ACN 112 287 797 of Level 36, 2 The Esplanade, Perth, Western Australia (**Target**)

The holders of ordinary shares in Norton Gold Fields Limited as at the Record Date other than the holders of Excluded Shares, in respect of those Excluded Shares

Agreed terms

1 Definitions

In this document these terms have the following meanings:

ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it.
ASX Listing Rules	The official listing rules of ASX.
Bidder	Zijin Mining Group Co., Ltd.
Bidder's Nominee	Jinyu (H.K.) International Mining Company Limited.
Business Day	The meaning given by the ASX Listing Rules.
CHESS	The Clearing House Electronic Subregister System, which facilitates electronic security transfer in Australia, operated by ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532.
Corporations Act	The *Corporations Act 2001* (Cth).
Court	The Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act agreed in writing by Target and Bidder.
Deed Poll	The deed poll to be executed by Bidder and Bidder's Nominee in favour of the Scheme Participants, a copy of which is to be annexed to the Scheme Booklet, under which each of Bidder and Bidder's Nominee covenants in favour of each Scheme Participant to perform their respective obligations under the Scheme and the Scheme Implementation Agreement as regards the implementation

	of this Scheme.
Effective	The time at which the Scheme Order takes effect pursuant to section 411(10) of the Corporations Act.
Effective Date	The date on which the Scheme becomes Effective.
End Date	30 June 2015 or such later date as Bidder and Target agree in writing.
Excluded Share	A Target Share held by Bidder or any of its Associates or by any person on behalf of, or for the benefit of, Bidder or any of its Associates.
GST	The meaning given to that term in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).
Implementation Date	The third Business Day following the Record Date or such other date as ordered by the Court or agreed between Bidder and Target.
Independent Expert	Deloitte Corporate Finance Pty Limited or such other independent expert that Target determines (acting reasonably).
OPT1	An unlisted option to acquire Target Shares with an exercise price of $0.241 due to expire 22 August 2017 (subject to terms of issue), issued as part of the remuneration package of the Target's Managing Director.
OPT2	An unlisted option to acquire Target Shares with an exercise price of $0.27 due to expire 30 April 2015 (issued by Target as part of the consideration for its bid for Kalgoorlie Mining Company).
Option	An option or other right to acquire Target Shares, including OPT1 and OPT2.
PRC	People's Republic of China.
Record Date	7.00 pm on the fourth Business Day following the Effective Date or such other date and time as Target and Bidder agree.
Registered Address	In relation to a Target Shareholder, the address shown in the Target Register as at the Record Date.
Scheme	This scheme of arrangement, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Target and Bidder.
Scheme Booklet	The information to be dispatched to Target Shareholders and approved by the Court, including the Scheme, explanatory statement in relation to the Scheme issued pursuant to section 412 of the Corporations Act and registered with ASIC, an independent expert's report

	prepared by the Independent Expert, the Deed Poll and notices convening the Scheme Meeting (together with proxy forms).
Scheme Consideration	$0.20 cash for each Scheme Share held by a Scheme Participant.
Scheme Implementation Agreement	The scheme implementation agreement between Bidder and Target dated 6 February 2015.
Scheme Meeting	The meeting to be ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme.
Scheme Order	The Order of the Court made for the purposes of section 411(4)(b) of the Corporations Act in respect of the Scheme.
Scheme Participant	Each holder of Scheme Shares as at the Record Date.
Scheme Shares	All the Target Shares on issue on the Record Date other than the Excluded Shares.
Scheme Transfer	For each Scheme Participant, a proper instrument of transfer of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.
Second Court Date	The first day of the Second Court Hearing or, if the Second Court Hearing is adjourned for any reason, the first day on which the adjourned application is heard.
Second Court Hearing	The hearing of the application made to the Court for the Scheme Order.
Target Register	The register of members of Target maintained by or on behalf of Target in accordance with the Corporations Act and **Target Registry** has a corresponding meaning.
Target Share	A fully paid ordinary share in the capital of Target.
Target Shareholder	Each person who is registered in the Target Register as the holder of Target Shares.
Total Scheme Consideration	The aggregate Scheme Consideration payable to Scheme Participants under the Scheme.

2 Preliminary

2.1 Target

(a) Target is a public company incorporated in Australia and registered in New South Wales having its registered office at Level 36, 2 The Esplanade, Perth, Western Australia.

(b) Target is a public company limited by shares under section 112(1) of the Corporations Act.

(c) Target is admitted to the official list of ASX and fully paid Target Shares are quoted on the official list of ASX.

(d) As at the date of the Scheme Implementation Agreement:

(i) 931,850,665 Target Shares were on issue; and

(ii) 80,246,764 Options were on issue comprised of:

(A) 72,246,764 OPT2 exercisable at $0.27 per Target Share on or before 30 April 2015; and

(B) 8,000,000 OPT1 exercisable at $0.241 per Target Share on or before 22 August 2017.

2.2 Bidder

(a) Bidder is a company incorporated in the PRC having its registered office at No.1 Zijin Road, Shanghang County, Fujian, China.

(b) Bidder is dual listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

2.3 Bidder's Nominee

(a) Bidder has appointed the Bidder's Nominee to acquire all of the Scheme Shares in accordance with clause 4.3 of the Scheme Implementation Deed.

(b) The Bidder's Nominee is a company incorporated in Hong Kong having its registered office at Suites 3712-15 Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

2.4 Summary of the Scheme

If the Scheme becomes Effective, but subject to **clauses 3.1**, **3.5**, **3.6** and **3.7**, then:

(a) in consideration of the transfer of the Scheme Shares to the Bidder's Nominee, the Bidder's Nominee will provide to each Scheme Participant the Scheme Consideration in respect of each Scheme Share held by the Scheme Participant in accordance with the terms of the Scheme;

(b) subject to Bidder's Nominee's compliance with its obligations in **clause 2.4(a)** and the Deed Poll, all of the Scheme Shares will be transferred to Bidder's Nominee; and

(c) Target will enter the name and address of the Bidder's Nominee in the Target Register as the holder of the Scheme Shares transferred to the Bidder's Nominee in accordance with the terms of the Scheme.

2.5 Scheme Implementation Agreement

(a) Bidder and Target have agreed, by executing the Scheme Implementation Agreement, to implement the terms of the Scheme and to perform their respective obligations under the Scheme.

(b) Under the Scheme Implementation Agreement, Bidder irrevocably guarantees the due and punctual performance by the Bidder's Nominee of all of its obligations under or in connection with the Scheme and Deed Poll.

2.6 Deed Poll

Bidder and Bidder's Nominee have executed the Deed Poll in favour of Scheme Participants pursuant to which they have covenanted to perform its obligations under the Scheme, including to provide to each Scheme Participant the Scheme Consideration to which such Scheme Participant is entitled under the Scheme, and to carry out its other obligations under the Scheme Implementation Agreement and do all things necessary or expedient on its part to implement the Scheme.

3 Conditions

3.1 Conditions of Scheme

The Scheme is conditional upon:

(a) all of the conditions precedent in clause 3.1 of the Scheme Implementation Agreement having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement as at 8.00 am on the Second Court Date;

(b) as at 8.00 am on the Second Court Date, neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with their terms;

(c) the Scheme having been approved at the Scheme Meeting, with or without modification, by the requisite majority of Target Shareholders in accordance with section 411(4)(a) of the Corporations Act or, if the Scheme is not agreed to by the requisite majority of Target Shareholders, the Court orders otherwise in accordance with section 411(4)(a) of the Corporations Act; and

(d) the Court having approved the Scheme pursuant to section 411(4)(b) of the Corporations Act, without modification or with modifications which are acceptable to both Target and Bidder.

3.2 Effect of conditions

The fulfilment of the conditions in **clause 3.1** is a condition precedent to the operation of the provisions of **clauses 4**, **5**, **6** and **8**.

3.3 Certificate

Target must provide, and must procure Bidder to provide, to the Court on the Second Court Date a certificate signed by at least one of its respective directors (or such other evidence as the Court may request) stating (to the best of its knowledge) whether or not all the conditions precedent in **clauses 3.1(a)**, **3.1(b)** and **3.1(c)** have been satisfied or waived (subject to the terms of the Scheme Implementation Agreement) as at 8.00 am on the Second Court Date.

3.4 Conclusive evidence

The giving of a certificate by each of Target and Bidder in accordance with **clause 3.3** will, in the absence of manifest error, be conclusive evidence of the matters referred to in the certificate.

3.5 Termination of Scheme Implementation Agreement

Without limiting rights under the Scheme Implementation Agreement, if the Scheme Implementation Agreement is terminated in accordance with its terms before 8.00 am on the Second Court Date, Target, Bidder and the Bidder's Nominee are each released from:

(a) any further obligation to take steps to implement the Scheme; and

(b) any liability with respect to the Scheme,

provided that Target, Bidder and the Bidder's Nominee retain the rights they have against each other in respect of any prior breach of the Scheme Implementation Agreement.

3.6 Effective Date

This Scheme takes effect on the Effective Date.

3.7 End Date

The Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

4 Scheme

4.1 Lodgement of Court order

Following the approval of the Scheme by the Court in accordance with section 411(4)(b) of the Corporations Act, Target will, as soon as possible, lodge with ASIC an office copy of the Scheme Order in accordance with section 411(10) of the Corporations Act.

4.2 Transfer of Scheme Shares held by Scheme Participants

On the Implementation Date, in consideration of and subject to provision by the Bidder's Nominee of the Scheme Consideration in accordance with

clause 5.1, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at that date, will be transferred to the Bidder's Nominee without the need for any further acts by any Scheme Participant (other than acts performed by Target as attorney and agent for Scheme Participants under **clause 6**) by:

(a) Target delivering to the Bidder's Nominee on the Implementation Date a duly completed Scheme Transfer executed by Target as attorney for the Scheme Participants for execution by the Bidder's Nominee; and

(b) the Bidder's Nominee duly executing and delivering the Scheme Transfer to Target on the Implementation Date.

4.3 Transfer documentation

As soon as practicable after receipt by Target of the Scheme Transfer duly executed by the Bidder's Nominee as transferee pursuant to **clause 4.2(b)**, but in any event on the Implementation Date, Target must register the Bidder's Nominee in the Target Register as the holder of all of the Scheme Shares.

4.4 Provision of Scheme Consideration

Target must procure the Bidder's Nominee to provide, or procure the provision of, the Scheme Consideration to each Scheme Participant on, or as soon as practicable after, the Implementation Date in accordance with, and subject to the terms of, this Scheme and the Deed Poll.

4.5 Beneficial entitlement by Bidder's Nominee

From the time of the provision of the Scheme Consideration to the Scheme Participants in accordance with **clause 5.1** on the Implementation Date, the Bidder's Nominee will be beneficially entitled to the Scheme Shares (together with all rights and entitlements attached to the Scheme Shares) to be transferred to it under the Scheme pending registration of the Bidder's Nominee in the Target Register as the holder of those Scheme Shares.

4.6 Enforcement of Deed Poll

Target undertakes in favour of each Scheme Participant to enforce the Deed Poll against Bidder and Bidder's Nominee on behalf of and as agent for the Scheme Participants.

5 Scheme Consideration

5.1 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to the Bidder's Nominee of the Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with this Scheme subject to the terms of the Deed Poll.

5.2 Payment of Scheme Consideration

(a) Before 5.00pm on the Business Day prior to the Implementation Date, Target must procure that the Bidder's Nominee deposits (or procures the deposit of) an amount equal to the Total Scheme Consideration in cleared funds into an Australian dollar denominated trust account, operated by Target as trustee for the Scheme Participants, to be held on trust for the Scheme Participants for the purpose of paying the Scheme Consideration to each Scheme Participant, except that any interest on the amounts deposited (less bank fees and other charges) will be to the Bidder's Nominee's account.

(b) On the Implementation Date and subject to the Bidder's Nominee having complied with **clause 5.2(a)**, Target must pay or procure the payment of the Scheme Consideration to each Scheme Participant from the account referred to in **clause 5.2(a)**.

(c) The obligations of Target under **clause 5.2(b)** will be satisfied by Target taking the following actions on the Implementation Date:

(i) despatching, or procuring the despatch, to that Scheme Participant of a pre printed cheque in the name of that Scheme Participant and for the relevant amount (denominated in Australian currency) with such despatch to be made by pre-paid post to that Scheme Participant's Registered Address; or

(ii) making, or procuring the making of, a deposit for the relevant amount (denominated in Australian currency) in an account with any Australian ADI in Australia notified by that Scheme Participant to Target and recorded in or for the purposes of the Target Register as at the Record Date.

5.3 Joint holders

In the case of Scheme Shares held in joint names, any cheque required to be paid to Scheme Participants will be payable to the joint holders and will be forwarded to the holder whose name appears first in the Target Register as at the Record Date.

6 Scheme Participants

6.1 Appointment of Bidder's Nominee as sole proxy

From the Effective Date until Target registers the Bidder's Nominee as the holder of all the Scheme Shares in the Target Register, each Scheme Participant:

(a) is deemed to have irrevocably appointed the Bidder's Nominee as its attorney and agent (and directed the Bidder's Nominee in such capacity) to appoint such officer or agent nominated by the Bidder's Nominee to be its sole proxy and, where applicable, corporate representative, to attend shareholders' meetings of Target, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders' resolution, whether in person, by proxy or by corporate representative, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this **clause 6.1(a)**); and

(b) must take all other actions in the capacity of the registered holder of Scheme Shares as the Bidder's Nominee directs.

6.2 Appointment of Target as sole attorney and agent

Each Scheme Participant, without the need for any further act, irrevocably appoints Target and each of the directors and officers of Target, jointly and severally, as the Scheme Participant's attorney and agent for the purpose of executing any document necessary or expedient to give effect to the Scheme (including executing a Scheme Transfer and any instrument appointing the Bidder's Nominee as sole proxy for or, where applicable, corporate representative of each Scheme Participant as contemplated by **clause 6.1**) or doing any other act necessary or desirable to give full effect to the Scheme and the transactions contemplated by it.

6.3 Scheme Participant's consent

Each Scheme Participant:

(a) consents to Target doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of the Scheme and Target, as agent of each Scheme Participant, may sub-delegate its functions under this **clause 6.3** to any of its directors and officers, severally; and

(b) agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares to the Bidder's Nominee, in accordance with the Scheme.

6.4 Warranties by Scheme Participants

Each Scheme Participant is deemed to have warranted to Target, in its own right and for the benefit of Bidder and the Bidder's Nominee, that:

(a) all of their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to the Bidder's Nominee under the Scheme will be transferred to the Bidder's Nominee free from all mortgages, pledges, charges, liens, encumbrances and security interests and other interests of third parties of any kind, whether legal or otherwise (but acknowledging that a security interest holder may potentially have an interest in the Scheme Consideration in accordance with the terms of such security interest); and

(b) they have full power and capacity to sell and transfer their Scheme Shares to the Bidder's Nominee (including any rights and entitlements attaching to those shares).

7 Dealings in Target Shares

7.1 Determination of Scheme Participants

(a) For the purpose of establishing the persons who are the Scheme Participants, dealings in Scheme Shares will only be recognised if:

(i) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Target Register as the holder of the relevant Scheme Shares at the Record Date; and

(ii) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received at or before the Record Date at the place where the Target Register is kept.

(b) Target must register registrable transmission applications or transfers of the kind referred to in **clause 7.1(a)(ii)** by the Record Date.

(c) Target will not accept for registration or recognise for any purpose any transmission applications or transfers in respect of Scheme Shares received after the Record Date, other than a transfer to the Bidder's Nominee in accordance with the Scheme and any subsequent transfer by the Bidder's Nominee, or its successors in title.

(d) If the Scheme becomes Effective, a holder of Target Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of any Target Shares or any interest in them after the Effective Date and any such disposal will be void and of no legal effect whatsoever.

7.2 Maintenance of Target Register

(a) For the purpose of determining entitlements to the Scheme Consideration, Target will, until the Scheme Consideration has been provided, maintain the Target Register in accordance with the provisions of this **clause 7** and the Target Register in this form will solely determine entitlements to the Scheme Consideration.

(b) All certificates and holding statements for Scheme Shares (other than holding statements in favour of the Bidder's Nominee and its successors in title after the Implementation Date) will cease to have any effect from the Record Date as documents of title in respect of those Scheme Shares. Subject to provision of the Scheme Consideration by the Bidder's Nominee and registration of the transfer to the Bidder's Nominee of the Scheme Shares contemplated by **clause 4.2**, after the Record Date, each entry current at that date on the Target Register relating to Scheme Shares will cease to be of any effect other than as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

7.3 Information to be made available to Bidder

Target will procure that, as soon as reasonably practicable after the Record Date, details of the names, Registered Addresses and holdings of Scheme

Shares of every Scheme Participant as shown in the Target Register as at the Record Date are made available to the Bidder's Nominee in such form as the Bidder's Nominee reasonably requires.

8 Quotation of Target Shares

(a) Target will apply for suspension of Target Shares on ASX with effect from the Effective Date.

(b) Target will apply for termination of the official quotation of Target Shares on ASX and the removal of Target from the official list of ASX with effect from the Business Day after the date on which all transfers of the Scheme Shares to the Bidder's Nominee have been duly registered by Target in accordance with the Scheme.

9 Notices

9.1 General

Any notice, transfer, transmission, application, direction, demand, consent or other communication (**Notice**) given or made under this document must be in writing in English and signed by the sender or a person duly authorised by the sender.

9.2 Communications by post

Subject to **clause 9.4**, where a Notice referred to in this document is sent by post to Target, it will not be deemed to have been received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Target's registered office or at the Target Registry.

9.3 Communications by fax

Subject to **clause 9.4**, a Notice is given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

9.4 After hours communications

If a Notice is given:

(a) after 5.00 pm in the place of receipt; or

(b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

10 General

10.1 Target and Scheme Participants bound

The Scheme binds Target and all Scheme Participants (including Scheme Participants who do not attend the Scheme Meeting, do not vote at that meeting or vote against the Scheme) and will, for all purposes, to the extent of any inconsistencies and permitted by law, have effect notwithstanding any provision in the constitution of Target.

10.2 Further assurances

Subject to **clause 10.3**, Target will execute all documents and do all acts and things (on its own behalf and on behalf of each Target Shareholder) necessary or expedient for the implementation of, and performance of its obligations under, the Scheme.

10.3 Alterations and conditions

Target may, with the consent of Bidder, by its counsel consent on behalf of all Scheme Participants to any modifications or conditions which the Court thinks fit to impose, provided that in no circumstances will Target be obliged to do so.

10.4 GST

Target must pay to the Scheme Participants an amount equal to any GST for which the Scheme Participants are liable on any supply by the Scheme Participants under or in connection with the Scheme, without deduction or set off of any other amount.

10.5 Costs

Any costs, and any stamp duty and any related fines, interest or penalties, which are payable on or in respect of this document or on any document referred to in this document will be paid as provided for in the Scheme Implementation Agreement. For the avoidance of doubt, the Scheme Participants do not have to pay any stamp duty, related fines, interest or penalties which are payable on or in respect of this document or any document referred to in this document.

10.6 Governing law and jurisdiction

(a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.

(b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

10.7 Construction

Unless expressed to the contrary, in this document:

(a) words in the singular include the plural and vice versa;

(b) if a word or phrase is defined its other grammatical forms have corresponding meanings;

(c) ‘includes’ means includes without limitation;

(d) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;

(e) words and phrases have the same meaning (if any) given to them in the Corporations Act;

(f) a reference to:

  (i) a holder includes a joint holder;

  (ii) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;

  (iii) a person includes the person’s legal personal representatives, successors, assigns and persons substituted by novation;

  (iv) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;

  (v) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;

  (vi) a right includes a benefit, remedy, discretion or power;

  (vii) time is to local time in Western Australia;

  (viii) ‘$’ or ‘dollars’ is a reference to Australian currency;

  (ix) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;

  (x) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions;

  (xi) this document includes all schedules and annexures to it; and

  (xii) a clause, party, schedule, exhibit or annexure is a reference to a clause, party, schedule, exhibit or annexure, as the case may be, of this document;

(g) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and

(h) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

10.8 Headings

Headings do not affect the interpretation of this document.

Notice of Scheme Meeting

Notice is given that, by an order of the Federal Court of Australia (**Court**) made on 7 April 2015 pursuant to Section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a meeting of members of Norton Gold Fields Limited (**Norton**) will be held at Level 8, Exchange Plaza, 2 The Esplanade, Perth, Western Australia on 21 May 2015 commencing at 2:30pm (WST).

AGENDA

To consider and, if thought fit, pass the following resolution agreeing to a scheme of arrangement (**Scheme**) (with or without modification) proposed to be made between Norton and the holders of shares in Norton (other than Zijin Mining Group Co., Limited and its Related Bodies Corporate) as at the Scheme Record Date pursuant to Part 5.1 of the Corporations Act:

> *"That, pursuant to and in accordance with Section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed to be entered into between Norton and the holders of its fully paid ordinary shares (other than Zijin Mining Co., Ltd and its Related Bodies Corporate), as contained in and more particularly described in the booklet of which the notice convening this meeting forms part, is agreed to (with or without modification as approved by the Federal Court of Australia).*

CHAIRMAN

The Court has appointed Noel White, or failing him, Dianmin Chen, to act as a chairman of the meeting and has directed the chairman to report his result of the resolution to the Court.

Dated: 8 April 2015

Norton Gold Fields Limited

Explanatory Notes to the Notice of Scheme Meeting

INTRODUCTION

This Explanatory Memorandum is provided to Shareholders of **Norton Gold Fields Limited** (**Norton**) to explain the Resolution to be put to Shareholders at the Court Ordered Scheme Meeting to be held at Level 8, Exchange Plaza, 2 The Esplanade, Perth, Western Australia on 21 May 2015 commencing at 2:30pm (WST).

The Directors recommend this notice be read in conjunction with the entire booklet of which it forms part. The Booklet contains important information to assist you in determining how to vote on the Scheme Resolution.

BACKGROUND

As announced on 6 February 2015, Norton has entered into a binding Scheme Implementation Agreement with its majority shareholder Zijin Mining Co., Limited (**Zijin**). The Scheme Implementation agreement provides that Zijin will acquire all of the issued Shares it does not already own by way of a Court approved scheme of arrangement for an offer consideration of $0.20 per share.

In accordance with the Scheme Implementation Agreement, Zijin has nominated Jinyu to acquire the Shares instead of Zijin. All references in the Scheme Implementation Agreement with respect to Zijin acquiring the Scheme Shares and paying the Scheme Consideration will be construed as if references to Zijin were replaced with references to the Jinyu. Zijin irrevocably guarantees (as a principal obligation) the due and punctual performance by Jinyu of all of its obligations under or in connection with the Scheme Implementation Agreement, the Scheme and the Deed Poll. If Jinyu commits any default or breach of the Scheme Implementation Agreement, Zijin will, immediately on written demand by Norton, perform all obligations (if any) of Jinyu in accordance with the provisions of the Scheme Implementation Agreement.

Required voting majority

In accordance with Section 411(4)(1) of the Corporations Act, the resolution to approve the Scheme must be passed at the Scheme Meeting by:

- unless the Court orders otherwise, a majority in number of Scheme Shareholders present and voting (either in person or by proxy, attorney, or, in the case of bodies corporate, body corporate representative) at the meeting; and
- at least 75% of the votes cast on the resolution.

The Court has a discretion under Section 411(4)(a)(ii)(A) of the Corporations Act to approve the Scheme if it is approved by at least 75% of the votes cast on the resolution, but not by a majority in number of Scheme Shareholders present and voting at the Scheme Meeting.

Court Approval

In accordance with Section 411(4)(b) of the Corporations Act, the Scheme (with or without modification) is subject to the approval of the Court. If the resolution put to the meeting is passed by the requisite majority and the other conditions precedent to the Scheme (other than approval by the Court) are satisfied or waived by the time required under the Scheme, Norton intends to apply to the Court for the necessary orders to give effect to the Scheme.

Entitlement to vote

Under Section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining eligibility to vote at the meeting is 5pm (WST) on 19 May 2015. Only those Scheme Shareholders entered on the Norton share register at that time will be entitled to attend and vote at the meeting. The remaining comments in these explanatory notes are addressed to Scheme Shareholders entitled to attend and vote at the meeting.

How to vote

Voting will be on a poll. You may vote at the meeting by:

- Attending and voting in person;
- Appointing a proxy to attend and vote on your behalf, using the proxy form that accompanied this Scheme Booklet;
- Appointing an attorney to attend and vote on your behalf, using a power of attorney; or
- In the case of a body corporate, appointing a body corporate representative to attend and vote on your behalf, using a certificate of appointment of body corporate representative.

Attendance

If you or your representative(s) plan to attend the meeting, please arrive at the venue at least 30 minutes prior to the scheduled time for commencement, so that your shareholding can be checked against the Register, any power of attorney or certificate of appointment of a body corporate representative verified and you or your representative's attendance noted.

PROXY, REPRESENTATIVE AND VOTING ENTITLEMENT INSTRUCTIONS

Voting in Person

To vote in person, you must attend the Scheme Meeting.

Scheme Participants who wish to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting upon disclosure of their name and address at the point of entry to the Scheme Meeting.

Voting by proxy

If you wish to appoint a proxy in respect of the Scheme Meeting, you are requested to complete and sign the original loose leaf proxy form sent to you with this Scheme Booklet.

Proxy forms should be sent to the Registry as indicated on the proxy form and must be received by the Registry not less than 48 hours before the time for holding the Scheme Meeting or adjourned meeting as the case may be.

A proxy will be admitted to the Scheme Meeting upon providing at the point of entry to the Scheme Meeting written evidence of their name and address.

The sending of a proxy form will not preclude a Scheme Participant from attending in person and voting at the Scheme Meeting which the Scheme Participant is entitled to attend and vote.

Voting by attorney

Powers of attorney and authorities should be sent to the Registry as indicated in the proxy form and must be received by the Registry by no later than 2.30pm (WST) on 19 May 2015.

An attorney will be admitted to the Scheme Meeting upon providing written evidence of their appointment, their name and address and the identity of the appointer at the point of entry to the Scheme Meeting.

The sending of the power of attorney will not preclude a Scheme Participant from attending in person and voting at the Scheme Meeting at which the Scheme Participant is entitled to attend and vote.

Voting by corporate representative

To vote at the Scheme Meeting (other than by proxy or attorney), a corporation that is a Scheme Participant must appoint a person to act as its representative. The appointment must comply with Section 250D of the Corporations Act.

An authorised corporate representative will be admitted to the Scheme Meeting upon providing at the point of entry to the Scheme Meeting written evidence of their appointment including any authority under which it is signed, their name and address and the identity of their appointer.

Jointly held securities

If you hold Scheme Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote, only the vote of the holder whose name first appears on the Register will be counted.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

Individual:	Where the holding is in one name, the holder must sign.
Joint Holding:	Where the holding is in more than one name, either shareholder may sign.
Power of Attorney:	To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to Section 204A of the Corporations Act) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.