



ASX/MEDIA ANNOUNCEMENT

26 July 2011

Norton to raise \$27.7 million at a 31% premium – to reduce debt

Norton Gold Fields (ASX:NGF), is pleased to announce that it has executed a Subscription Agreement with Zijin Mining Group Co., Ltd (**Zijin**) for the private placement of 138,350,000 shares at a price of \$0.20 per share. Once completed, the placement will raise \$27.67 million with Zijin's shareholding in Norton after the placement being 16.98%. The placement issue price of \$0.20 represents a 31% premium to the 15-day VWAP.

Zijin is a Shanghai and Hong Kong listed public company with a market capitalisation of over US\$17 billion and extensive interests across a broad range of commodities, including gold, copper, zinc, lead, tungsten and iron ore. In FY10 Zijin produced over 2.2 million ounces of gold.

Managing Director, Andre Labuschagne, said "We are very pleased to welcome Zijin as a strategic shareholder of Norton. Zijin has a strong technical and operational background in gold mining which will complement our own expertise."

The funds raised from the placement will be used to reduce Norton's debt levels from the current level of \$80 million to \$50 million. Specifically, the funds will (together with Norton's cash reserves) be used to make a prepayment, by 3 September 2011, of \$30 million of the outstanding principal owing pursuant to the terms of the \$80 million Secured Note (Note) issued by Norton to Merrill Lynch International (such terms having been announced to the ASX on 18 April 2011). Such prepayment would enable Norton to avoid an interest rate step-up on the Note as well as the payment of a deferment fee to Merrill Lynch.

The placement will consist of two tranches:

- **Tranche 1 -the issue of 72,100,000 shares at \$0.20 per share to raise \$14,420,000.** The issue of the Tranche 1 shares is conditional upon Zijin receiving the necessary Chinese regulatory approvals, however it is expected that the Tranche 1 shares will be issued within 3 business days of this announcement. At the completion of Tranche 1, Zijin will have a shareholding in Norton of 9.96%.
- **Tranche 2 - the issue of 66,250,000 shares at \$0.20 to be issued no later than 16 September 2011, raising \$13,250,000.** The issue of the Tranche 2 shares is conditional upon: Zijin receiving the necessary Chinese regulatory approvals; Zijin receiving FIRB approval; and Norton shareholder approval. At the completion of Tranche 2, Zijin will have a shareholding in Norton of 16.98%.

A notice of meeting of Norton shareholders at which approval will be sought for the issue of Tranche 2 shares will shortly be despatched to shareholders.

In addition, under the terms of the Subscription Agreement:

- for a period of 6 months after the completion of Tranche 2, Zijin will have a “top-up” right so that where shares are issued to a third party, Zijin will have the right to subscribe for shares on the same terms to ensure it can maintain its shareholding held prior to the shares being issued (subject to obtaining any required ASX waivers); and
- subject to completion of Tranche 2, Zijin is entitled to 1 representative being appointed to the Norton Board for so long as Zijin holds an interest in at least 10% of NGF’s shares.

No commissions will be paid by Norton for the placement and legal costs will be borne by the respective parties.

ENDS

Further information

Andre Labuschagne
Managing Director
Norton Gold Fields Limited
+61 (0)7 3846 9200

alabuschagne@nortongoldfields.com.au

Warrick Hazeldine / Annette Ellis
Purple Communications
61 (0) 8 6314 6300 / +61 (0) 417 944 616
/ +61 (0) 458 200 039

whazeldine@purplecom.com.au