THE GLOBAL SPECULATOR

20 July 2009

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NORTON GOLD FIELDS JUNE QTR 09: 10 YEAR LIFE OF MINE STRENGTHENED

Operational	Jun Qtr	Mar Qtr	Change
Production (oz)	35,021	36,153	-3%
Head Grade (g/t)	1.52	1.48	3%
Average Price (A$/oz)	**1,192**	**1,371**	**-13%**
Cash Operating Cost (A$/oz)	720	743	-3%
Development Cost (A$/oz)	160	131	22%
Total Cost (A$/oz)	**880**	**874**	1%
Gross Margin (A$/oz)	**312**	**497**	-37%
Investment			
Capital Expenditure (A$/oz)	137	35	
Exploration/Evaluation (A$/oz)	41	41	
Total Investment (A$/oz)	**177**	**76**	
Cash Suplus (Deficit) (A$/oz)	**135**	**421**	-68%
Balance Sheet Performance			
Cash Balance (A$m)	45.3	40.3	12%
Interest Bearing Loans (A$m)	38.0	38.0	
Hedging Liability (A$m)	61.5	109.0	-44%
Share Capital			
Shares Outstanding (m)	421.0	420.0	-0.2%
Director Holdings	90.4	90.4	
Director Holdings (%)	21%	22%	
Share Price (A$) (End of Qtr)	0.20	0.145	38%

Operational

- Norton Gold Fields (ASX: NGF) has recorded a steady quarter with a marginal decline in production despite a 3% improvement in both grade and cash costs. The Robinsons and Ballarat Last Chance (BLC) pits were completed during the quarter with both exceeding resource model estimates. A mining review (completed in March 09) saw a step up in mining performance with gains made in both drill and blast performance and equipment productivity.

- Development costs were 22% higher for the June quarter at A$160/oz. This negated the improvements in operational cash costs. Ongoing open pit development costs were the driving factor and will fluctuate from quarter to quarter. The total cost per oz remained very much steady at A$880/oz.

- A 13% decline in the average gold price received to A$1,192/oz ensured gross margins fell 37%.

Investment

- Investment activities for the June quarter picked up with underground development work at Homestead commencing in April and advancing ahead of schedule (A$3.6m). The twin decline development advanced 721m (across both declines including cross cuts) and is on schedule to intersect the ore body in December 2009. The remaining capital works increased marginally from $0.9m to $1.2m.

- Extensive exploration work at Paddington has seen Norton strengthen the 10 year mine plan with a recent 18% upgrade in its reserves to 1.24 Moz and a 22% increase in the resource from 5.02 Moz to 6.13 Moz. This was largely attributable to a reassessment of the Bellamel projects to fit Norton's reporting standards. Paddington's 10 year mining program is detailed on a monthly basis for 2 years (definitive mine plan), quarterly for the subsequent 2 years (partially optimized) and annually for the last 6 (nominal conversion of resource to reserves). The annual exploration budget for Paddington going forward will be $8m aimed at improving the definition of these resources and further strengthening the 10 year life of mine plan.

Cash Surplus/Deficit

- Despite the development work at Homestead and the 13% decline in the gold price, Norton managed to record a cash surplus for the quarter of $135/oz, 68% down on the last quarter.

Balance Sheet

- The cash balance for the June quarter increased $5m to $45.3m reflecting the cash surplus.

- The fall in the gold price significantly reduced the forward sales liability from A$109m to $61m. 210,000 oz remain sold forward at $875/oz.

Share Capital

- The share capital and director ownership remained steady during the quarter. The share price enjoyed a 38% rally which largely reflects the progress Norton appears to be making both operationally and development wise.

Closing Comments

Norton continues to consolidate and improve on its existing operations whilst continuing to invest in the company's future. With the company's investment in exploration and development presently self funded from existing operations, this appears to bode well for the future. The 10 year mine plan very much remains a work in progress but clearly demonstrates to investors the direction the company is moving in. We look forward to following their progress.

Troy Schwensen
www.globalspeculator.com.au

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