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MEMORANDUM

To: Northern Mining Limited

Cc: Jeff Elliott

Date: April, 2008

From: Karl Lindsay - Park

Re: Assessment of EL 24948 Crawford Creek and Review on Previous Exploration

Introduction

Exploration licence 24948 lies approximately 170km west of Alice Springs. The licence consists of 315 blocks and covers an area of 938 square kilometres. The licence was granted to Imperial Granite and Minerals on the 3rd July 2006. Transfer of the licence to Northern Mining Ltd was completed in 2006.

Access to the area from Alice Springs is via the sealed Meerenie Loop. The Haast's Bluff road and several gravel tracks provide access to most parts of the licence. Away from the roads, access is a serious problem due to very steep topography, deeply incised creeks, rocky outcrops and thick bush. A helicopter maybe required to provide access to some areas.

The Alice Springs region typically enjoys a long, dry and hot summer and a cold and dry winter. Rainfall is uncommon and does not represent an impediment to exploration activities.

The area is considered prospective for base metal and uranium mineralisation.

Previous Exploration

AP 1038 covered the southeast corner of EL 24948. Exploration for salt and phosphate was undertaken.

AP 1925 covered the northern half of the licence. No field work was done.

AP 2446 covered the licence area but no records pertaining to the licence were found.

AP 2822 covered a thin sliver of the southern part of EL 24948. Le Nickel used detailed stream sediment sampling to define base metal anomalies on or near the contact of the Bitter Springs and Pertatataka formations. Several gossans were found but little follow up work was done. We will need to capture this data.

AP 2851 was also worked by Le Nickel with similar results to those above.

EL 258 No records for this title were located.

EL1323 covered the northern half of EL 24948. A very detailed photogeological map and radiometric survey were completed. Areas of radiometric anomalism were visited and it was concluded that small domed granite bodies were the source. Based on the strength of one or two rock chip samples at each site it was concluded that the targets were sub-economic. Several rock chips returned over 200ppm uranium and the best result was 2280ppm. The explorers were after primary, pitchblende mineralisation and did not appear interested in secondary mineralisation. This data will need to be captured.

EL 5365 covered the northwestern part of EL 24948. A 41 sample stream sediment sampling programme detected a lead anomaly associated with the Stokes Yard prospect.

EL 5748 covered a very small part in the southeast of the EL. Rock chip sampling of quartz veins and breccias for gold was undertaken. Initial results could not be reproduced.

EL 5823 covered the southeast to central portion of the licence. One gossan was located and sampled but only assayed for gold. The gossans location will need to be identified.

EL 7252 was a narrow licence that covered the contact zone between the Arunta block and the Amadeus Basin. BHP completed a detailed stream sediment sampling program. Several low-level base metal anomalies were defined but not pursued. The data has been incorporated into the Explore 3 database. The anomalous areas will have to be redefined.

EL 10262 was explored with no success by Gutnick Resources using a hydrothermal Witwatersrand model.

Previous Work by Northern Mining Ltd

Exploration completed in the first year of tenure includes:

- A detailed review of previous work as part of the independent geologists report contained in Northern Mining Ltd IPO.
- A field trip to Pioneer Point where rock chip samples were collected to verify previously obtained uranium and base metal assay results. The results from the recent sampling were consistent with the former except with respect to uranium and thorium which were an order of magnitude lower, (50ppm U not 500ppm). The discrepancy has been attributed to different analytical techniques with the earlier method being errant.

Geology

EL 24948 covers two major geological entities which are prospective for various commodities. The northern part of the tenement covers part of the 1690-1610 Ma Warumpi Province, a recently defined part of the North Australian Craton. The Warumpi Province has been subjected to very little mineral exploration due to the difficulty of access and the general

poor outcrop. Nevertheless, two Zn-Cu-Pb-Ag (Stokes Yard, Ulpuruta) and two Cu-Zn-(Au) (Haasts Bluff, Mount Larrie) prospects are known in the eastern part of the province. The age correlation between the Warumpi Province and the Broken Hill and Mount Isa Blocks is noteworthy.

The southern part of the tenement covers a section of the northern Amadeus Basin, including the basal Heavitree Quartzite, which was deposited from ca.840 Ma. EL 24948 extends south to include the Amadeus stratigraphy up to the Devonian Pertnjara Group. The Brewer Conglomerate of the Pertnjara Group hosts the Angela-Pamela sandstone-hosted uranium-vanadium deposits 160 km to the east. Other uranium-vanadium anomalies are known in the area, including at Pioneer Point where 500 ppm U was previously reported but has since been discredited.

Geophysics

The regional magnetic data available clearly shows the change from the Amadeus Basin to the Warumpi Province of the Arunta Block. The only features of note in the current data are a pair (possibly 4) north-northwest trending expressions that are probably faults. A major northeast trending fault is clearly recognizable. The intersection of the faults represents an area of interest and will require examination in the field. Reprocessing of the magnetic data may see features currently unrecognizable, emerge.

The regional radiometric data is very coarse and not suitable for target identification. It does however highlight two areas, the base of and the upper part of the Amadeus succession. The basal units of the Amadeus Basin sequence, the Heavitree Quartzite and the Bitter Springs Formation are clearly stand out in the regional radiometric data as enriched in uranium. Similarly the Brewer Conglomerate of the Pertnjara Group, the upper most group of the Amadeus succession is clearly recognisable.

Geochemistry

There appears to be a major discrepancy between the data reported by ESSO for EL 1323 and that reported in the NTGS's Explorer 3 database. ESSO report about 20 anomalous areas for which rock chip samples gave results over 200ppm. Explorer 3 reports only 8 samples and results around 20ppm.

Approximately 400 stream sediment samples have been collected in the licence area by Sabminco NL, BHP and the NTGS. The samples have been assayed in several different ways and for a wide range of elements. A casual inspection of the data has indicated that there may be several anomalous areas present. A much more detailed investigation of the data is required.

Conclusions

The previously completed exploration within EL 24948, Crawford Creek has been very preliminary in its nature. Basically, comprising helicopter supported stream sediment and rock chip sampling. The results of the work have demonstrated the areas potential to host base metal and uranium mineralisation. However, due primarily to the difficulty of access



and in one case financial constraints very little follow-up work has been done. For example ESSO claim to have completed the evaluation of about 20 radiometric anomalies by collecting one rock chip sample from each area. BHP state that their stream sediment sampling defined several base metal anomalies but no additional work was warranted.

Proposed Exploration

To further the exploration of EL 24948 it will be necessary to finish the assessment of all of the existing data and then undertake field traverses, mapping and rock chip sampling. In particular, areas for inspection need to be defined by:

- Collating all of the existing geochemical data.
- Having the magnetic data reprocessed for just the tenement area.
- Having the radiometric data reprocessed and U/Th² images produced.
- Acquiring high-quality satellite imagery.

Using the four data sets listed above areas of geological, geophysical and geochemical interest will be defined and field inspections of each area organized. To complete this proposal helicopter supported fly camps may be required.

A initial budget estimate for the proposed exploration is presented in the table below.

Yours sincerely

Karl Lindsay – Park

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Manager - Darwin

| Proposed Budget - Crawford Creek (EL24948), April 2008 | | | | | |
|---|--------|----------|----------------------------------|-----------------|-----------------|
| Item | Unit | UnitCost | Description | EL 24948 | Total |
| EXPLORATION | | | | Crawford Ck | |
| Laboratory Services | | | | | \$6,600 |
| Assays | sample | 25 | from rock chips, soil, RAB | \$5,000 | \$5,000 |
| Geochemistry | sample | 30 | | | \$0 |
| Metallurgy/Petrology | | | | | \$0 |
| Freight | | | cost of sample movement | \$1,000 | \$1,000 |
| Storage | | | Storage of pulps and chips | \$600 | \$600 |
| Technical Services | | | | | \$60,950 |
| Data Management | manday | 850 | Maintain database | \$850 | \$850 |
| Catering -mine camp | | | | | \$0 |
| Earthworks | hour | 142 | Access for vehicle | | \$0 |
| Computing- data capture | manday | 850 | CSA GIS specialist | \$4,250 | \$4,250 |
| Consultants-CSA Manager | manday | 1,600 | Jeff Elliott-peer review | \$1,600 | \$1,600 |
| Consultants-KLP | manday | 1,250 | Karl L-Park Exploration Manager | \$17,500 | \$17,500 |
| Consultants_Dino | manday | 1,000 | Geologist | \$14,000 | \$14,000 |
| Geophysical - Airborne | | | | | \$0 |
| Geophysical - Ground | | | | | \$0 |
| Geophysical - Processing | manday | 1,250 | Redo mag, rad | \$12,500 | \$12,500 |
| Geotechnical_Fieldy(s) | manday | 450 | prospecting | \$9,000 | \$9,000 |
| Drafting | | | | | \$0 |
| Freight | | 250 | | \$250 | \$250 |
| Contractors - General | | | | | \$0 |
| Survey | | | | | \$0 |
| Hydrogeological | | | | | \$0 |
| Rehabilitation | | | | | \$0 |
| Remote Sensing | | 5,000 | Acquisition of Satellite imagery | \$1,000 | \$1,000 |
| Consumables | | | | | \$1,300 |
| Field Consumables | | | Chip trays, flagging etc | \$500 | \$500 |
| Food Camping | manday | 40 | | \$800 | \$800 |
| Equipment | | | | | \$1,450 |
| Repairs & maintenance | | | | | \$0 |
| Camp gear hire (4 man) | day | 150 | | \$750 | \$750 |
| Equipment hire | day | 100 | Hire of spectrometer | \$700 | \$700 |
| Helicopter Hire | Hr | 1,250 | | | \$0 |
| Motor Vehicles | | | | | \$3,110 |
| Fuel | litre | 1.55 | | \$870 | \$870 |
| Hire -Thrifty | day | 160 | | \$1,120 | \$1,120 |
| Hire - Thrifty | day | 160 | | \$1,120 | \$1,120 |
| Travel & Accommodation | | | | | \$4,745 |
| Accommodation & meals | manday | 140 | | \$1,680 | \$1,680 |
| Travel - airfares (dom) | return | 650 | | \$2,925 | \$2,925 |
| Travel - charter | | | | | \$0 |
| Travel - Other (Taxi's etc) | return | 70 | | \$140 | \$140 |
| General Administration | | | | | \$9,320 |
| Software Maintenance | | 420 | | \$420 | \$420 |
| Software Purchase | | | | | \$0 |
| Clothing / safety gear | | | hearing, sight, sun, dust | \$500 | \$500 |
| Courses/Conferences | | | | | \$0 |
| Head office costs | | | | | \$0 |
| Darwin Office Costs | | | | \$400 | \$400 |
| Contingency | | 10% | | \$8,000 | \$8,000 |
| ESTIMATED TOTAL | | | | \$87,475 | \$87,475 |