FINAL SURRENDER REPORT for the period
2nd of September 2009 to 15th of August 2013

Exploration Licence EL27085

OPERATED BY NORTHERN
MINERALS LIMITED

<table>
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<th>October 2013</th>
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<td>Date</td>
<td>29/08/2013</td>
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To the best of our knowledge, this document conforms to the format outline for an annual report, as shown by the Northern Territory Geological Survey- Minerals and Energy Division website.
TABLE OF CONTENTS

1. SUMMARY .......................................................................................................................... 4
2. INTRODUCTION .................................................................................................................. 4
3. LOCATION AND ACCESS ................................................................................................. 5
4. TENURE .............................................................................................................................. 6
5. REGIONAL GEOLOGY ....................................................................................................... 7
6. WORK COMPLETED ......................................................................................................... 9
   6.1 Data Compilation and Review ......................................................................................... 9
   6.2 Geophysical Data Compilation ...................................................................................... 9
7. CONCLUSIONS .................................................................................................................. 9
8. REFERENCES ..................................................................................................................... 10

Figures:

Figure 1 Satellite Imagery ................................................................................................. 5
Figure 2 Access and Location ............................................................................................. 5
Figure 3 250K Geology ....................................................................................................... 8
1. SUMMARY

The exploration Licence EL27085 lies approximately 130km to the east of the township of Tennant Creek. EL27085 was granted in September 2009 and covered a total area of 122.4km² prior to its relinquishment.

Northern Minerals Limited is targeting Cambrian phosphorite deposits within the Georgina Basin. The Cambrian Gum Ridge Formation has been interpreted to underlie the parts of the Licence area and is considered to be a potential host for phosphate mineralisation.

Unfortunately due to difficult finance circumstances experienced worldwide it was not possible to complete the proposed mapping, sampling and drilling activities. It was anticipated that the proposed exploration activities would be undertaken in 2011-12.

2. INTRODUCTION

This report details exploration activities conducted by Northern Minerals Ltd for the tenement EL27085 which was part of the Barkly Group, Epenarra Project.

Northern Minerals Limited will be targeting phosphorite deposits of the Middle Cambrian within the Georgina Basin. Major phosphate deposits within the Georgina Basin include the Wonarah deposit, which is Australia’s largest undeveloped phosphate resource. Other deposits include Arruwarra, Alexandria and Alroy deposits which are also hosted by the Middle Cambrian Wonarah Formation. The Cambrian Gum Ridge has been interpreted to underlie the parts of the Licence areas and is considered to be a potential host for significant phosphate mineralisation.
3. LOCATION AND ACCESS

The tenement is located in central Northern Territory. The area of the tenement is located approximately 67 kilometers south east of the Barkly Station, 216 kilometers south east of Three Ways and 134 kilometers south west of Ranken. The tenement is covered by the 1:250,000 map sheet of Frew River (SF 53-03)

The tenement can be accessed from the Barkly Highway which is approximately 38 kilometers to the north east. From this highway, a four wheeled drive (4WD) is required to use station tracks, water bore tracks, old drilling lines and fence lines to access the tenure.
4. TENURE
The tenement was held by Northern Minerals, and was applied for on the 24th of December 2010. The project was relinquished on the 15th of August 2013. The tenement covered a total area of 122.4km².

Table 1 Tenement Summary

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<tr>
<th>Tenement</th>
<th>Project</th>
<th>Holder</th>
<th>Lease Status</th>
<th>Application Date</th>
<th>Granted</th>
<th>Relinquished</th>
<th>Current Area</th>
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5. REGIONAL GEOLOGY

The Cambrian rocks of the Alroy and Frew River map sheet are part of a wide spread Cambrian sequence which covers most of the Barkly Tablands extending from the Northern Territory to Queensland. Several outcrops of Wonarah Formation have been mapped in the area. The Formation is described as “chertified limestone and mudstone, dolostone; siliceous concretions, minor interclast and bioclast wacke to grainstone, siltstone and sandstone.” The Wonarah Formation extends from the Barkly tablelands towards the Frew River Sheet and is believed to be contiguous with other Middle Cambrian units such as the Gum Ridge Formation. The Wonarah Formation is part of the Middle Cambrian aged Barkly Group and is the host to the Wonarah Phosphate deposit.

The Lower Proterozoic rocks do not crop out, but are believed to underlie the above Cambrian sequence. These rocks include the Warramunga and Hatches Creek Groups and intrusive igneous rocks. The Warramunga Group comprises of yellow-red-purple colored thin bedded sandstone, greywacke and siltstone. The Hatches Creek Group overlies the Warramunga Group and comprises a grey-pink-brown, coarse grained thin to medium bedded quartz sandstone, quartz greywacke, quartzite, siltstone, shale, pebble conglomerate, basic and acid lavas.

The Palaeozoic rocks in the Frew River sheet area are of Cambrian age and include the shallow marine and sub-aerial sediments which overlie the earlier lithologies in the north-western part of the Georgina Sedimentary Basin. The Cambrian sediments extend from the Frew River sheet area north and east towards the Barkly Tablelands.

The Gum Ridge Formation, comprised of chert, shale, sandstone, conglomerate, limestone and dolomite phases at subsurface, is the oldest Cambrian unit. The Wonarah beds overlie the Gum Ridge Formation and are considered to be slightly younger in age, comprising of chert, oolitic chert and silicified coquinite. An unnamed Cambrian unit which comprises of a grey dolomitic and brown oolitic chert sub-crops in the central-east and south–east of the Frew River map sheet area. It is uncertain, but this unit may be part of the Wonarah beds.
Figure 3 250K Geology
6. WORK COMPLETED

To date exploration work completed by Northern Minerals Ltd has been limited a review of the previous completed historical exploration work and a compilation of all publicly available government data sets including geological and geophysical data. The results of the review are described below. During 2012 publicly available regional data sets such as aeromagnetics, radiometrics, gravity, geological mapping and known regional mineralisation were reviewed.

Despite the prospectivity for economic phosphate mineralisation, as indicated by the data review and compilation, the areas covered by tenement EL27085 effectively remain untested. Due to Northern Minerals focus on other commodities, the tenement has been surrendered.

6.1 Data Compilation and Review

Exploration completed in the first year of tenure includes:

A detailed review of previous work has been completed on all available data relevant to the EL area which was compiled into GIS format using the MapInfo/Discover software. The data include topographical, cadastral, geological, geophysical, geochemical and drill hole information sourced from NT government agencies and records of previous exploration activities. The data was interpreted to identify exploration target areas for follow-up geological reconnaissance mapping and surface geochemical sampling where appropriate.

6.2 Geophysical Data Compilation

All available government geophysical data over the central Georgina Basin was purchased for processing and interpretation. The data was interpreted by Northern Minerals geologists to identify potential exploration target areas for follow-up geological reconnaissance mapping and surface geochemical sampling.

7. CONCLUSIONS

Due to Northern Minerals focus on other commodities the tenement has been surrendered.
8. REFERENCES

Sheriff, C, 2013, "Epenarra Project Combined Annual Report for the period 1 January 2012 to 31 December 2012 Exploration Licence EL26818, EL26775, EL26776, EL27085, EL27554, EL27072 and EL29321", Northern Minerals

