

NORTHERN MINING LIMITED

ACN 113 654 229

Third Annual Report for
'NAPPLEBAR YARD'
EL 24961

For the period
5/10/2008 to 4/10/2009

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250,000 sheets: Henbury SG53-01; Rodinga SG53-02

100,000 sheets: Henbury (5548), Seymour (5448), Charlotte (5648)

Commodities: Copper, cobalt, uranium, manganese, phosphate, potash

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Primary Industries, Fisheries & Resources

Northern Mining Limited



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1.0 Summary

EL 24961 is part of Northern Mining Limited's Central Australia project and is considered prospective for numerous styles of mineralisation:

- stratabound copper-cobalt (Zambian-style),
- stratiform lead-zinc, manganese, phosphate and potash,
- unconformity uranium, and
- sandstone-hosted uranium (Angela-style).

No field work was completed in the 3rd year of tenure. At the end of the 3rd year of tenure, 244 blocks were recommended for relinquishment, leaving 244 blocks within EL 24961.

2.0 Introduction

EL 24961 'Napplebar Yard' (formerly 'Camel') is located 120 km southwest of Alice Springs along the Stuart Highway (Figure 1). Access is excellent with many station tracks and fence-lines crossing the tenement. The tenement is cut by the Finke and Palmer Rivers. This report covers the work completed on EL 24961 in the third year of tenure.

3.0 Tenure

EL 24961 was granted to Imperial Granite & Minerals Pty Ltd (100 %) on 5 October 2006, and was immediately transferred to Northern Mining Limited as part of an existing agreement. Originally, the tenement comprised 488 sub-blocks overlying NT Portions 1991, 2958 and 657, which are part of the Palmer Valley, Idracowra and Henbury perpetual pastoral leases, respectively.

A waiver to reduce the tenement was approved at the end of the second year of tenure. At the end of the third year of tenure, the easternmost 244 sub-blocks were relinquished leaving the westernmost 244 sub-blocks. These remaining sub-blocks are within the Palmer Valley and Henbury perpetual pastoral leases.

Tenement	Ten no.	Blocks Granted	Blocks Relinq.	Blocks Retain	Grant Date	Expiry Date
Napplebar Yard	24961	488	244	244	5 Oct 2006	4 Oct 2012

Table 1: Tenement details

4.0 Geology/Prospectivity

EL 24961 is located in the middle of the Amadeus Basin where many stratigraphic units are juxtaposed in a fold-fault setting. As such, the tenement is prospective for many of the styles of sediment-hosted mineralisation known in the Amadeus Basin (Figure 2), including:



- stratabound copper-cobalt (Zambian-style),
- stratiform lead-zinc, manganese, phosphate and potash,
- unconformity uranium, and
- sandstone-hosted uranium (Angela-style).

Exploration on EL 24961 has been limited to stream sediment and rock-chip sampling in the Seymour Ranges by *Le Nickel* in 1971 (CR1971-0132). This exploration tested for stratigraphic Cu-Pb-Zn; stream sediments only tested for these elements and rock-chips also tested for Fe-Mn-Co. The results are not encouraging, though the lack of elements tested still leaves scope for other commodities. A review of sampling procedures also highlights that many samples had large amounts of contamination, especially aeolian sand. Importantly, seams and nodules of phosphorite were noted in the Stairway Sandstone.

A further style of untested mineralisation is within the Tertiary lacustrine sediments overlying the Amadeus Basin sediments. Pre-existing radiometric data show that many outcrops of these units are anomalous in uranium. Given their widespread distribution they are worthy of further investigation.

5.0 Northern Mining Limited Work

5.1 Year 1

In the first year of tenure, work on EL 24961 was limited to desk-top reviews and reconnaissance field trips. These field trips included discussions with local pastoralists and assessment of vehicle access. No sampling was undertaken. The Aboriginal Areas Protection Authority sacred site register has been assessed for the area and is relatively clear.

5.2 Year 2 & 3

No significant field work was completed in the second or third year of tenure. The proposed field programmes were not undertaken due to the difficulty of obtaining geological staff and contractors during the boom and then the uncertainty of corporate financing during the global recession. However, recent optimism in the mining industry has flowed through to Northern Mining Limited, who now has secure funding and staff to continue with this work.

A covenant of \$48,000 was proposed for the third year, but with no fieldwork completed only \$4,437 was spent.

Item	Expenditure
Salary/wages (incl consultants)	3,858
Administration (15 %)	579
Total	\$4,437

Table 2: Expenditure on EL 24961 for third year of tenure.



5.3 Year 4 (proposal)

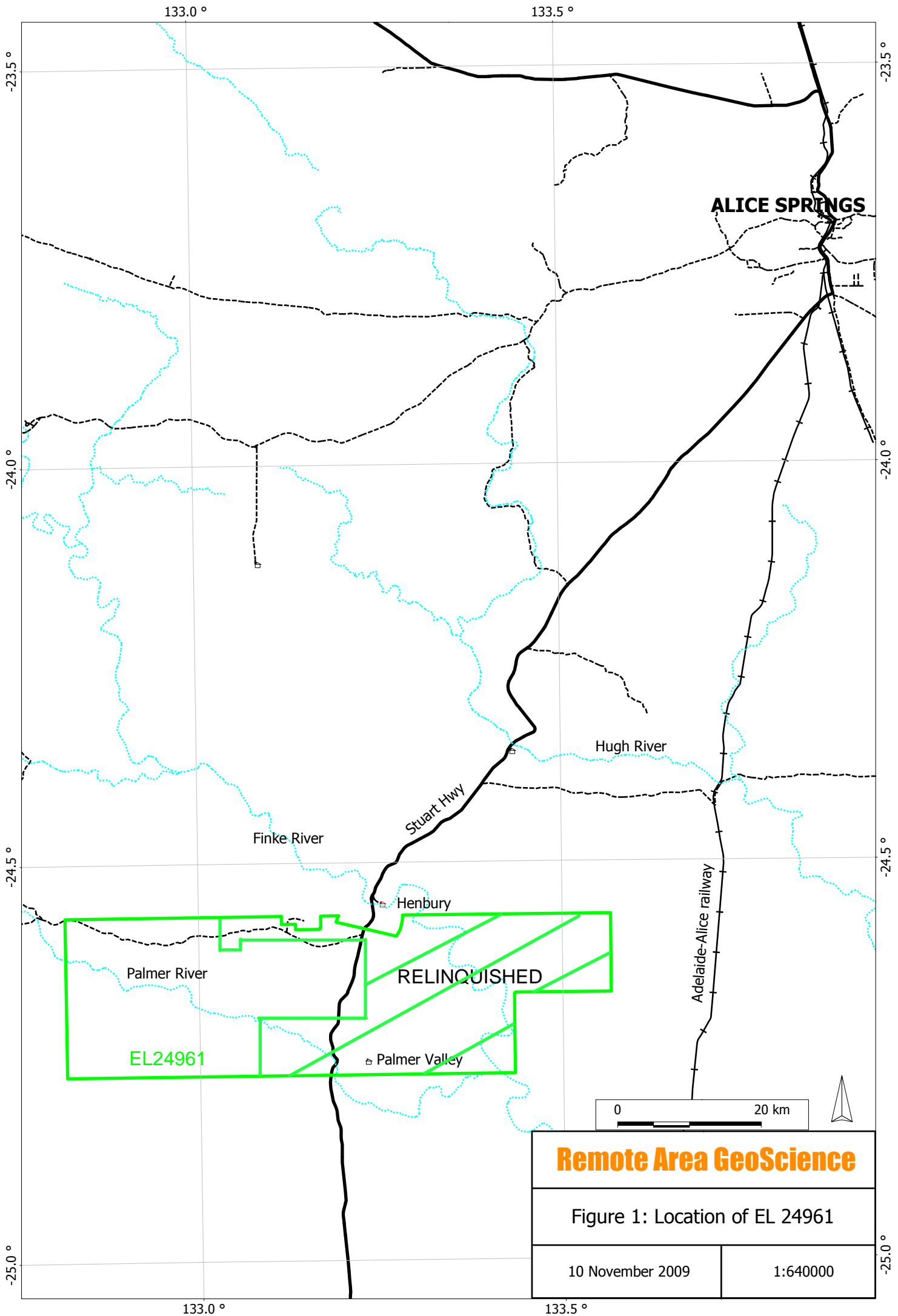
In the fourth year of tenure, the previously proposed regolith and geological mapping and surface geochemical sampling of EL 24961 will be undertaken. The aim of this work is to identify areas where geophysical surveys can be deployed to identify drill targets.

Item	Expenditure
Rockchip, soil sample assays	\$7,000
Wages, consultants	\$12,500
Geophysical survey	\$15,000
Vehicles, camp	\$7,500
Administration (15 %)	\$6,000
Total	\$48,000

Table 3: Proposed expenditure for fourth year of tenure.

6.0 Environmental

No ground disturbing work has been undertaken on EL 24961.



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Figure 1: Location of EL 24961

10 November 2009

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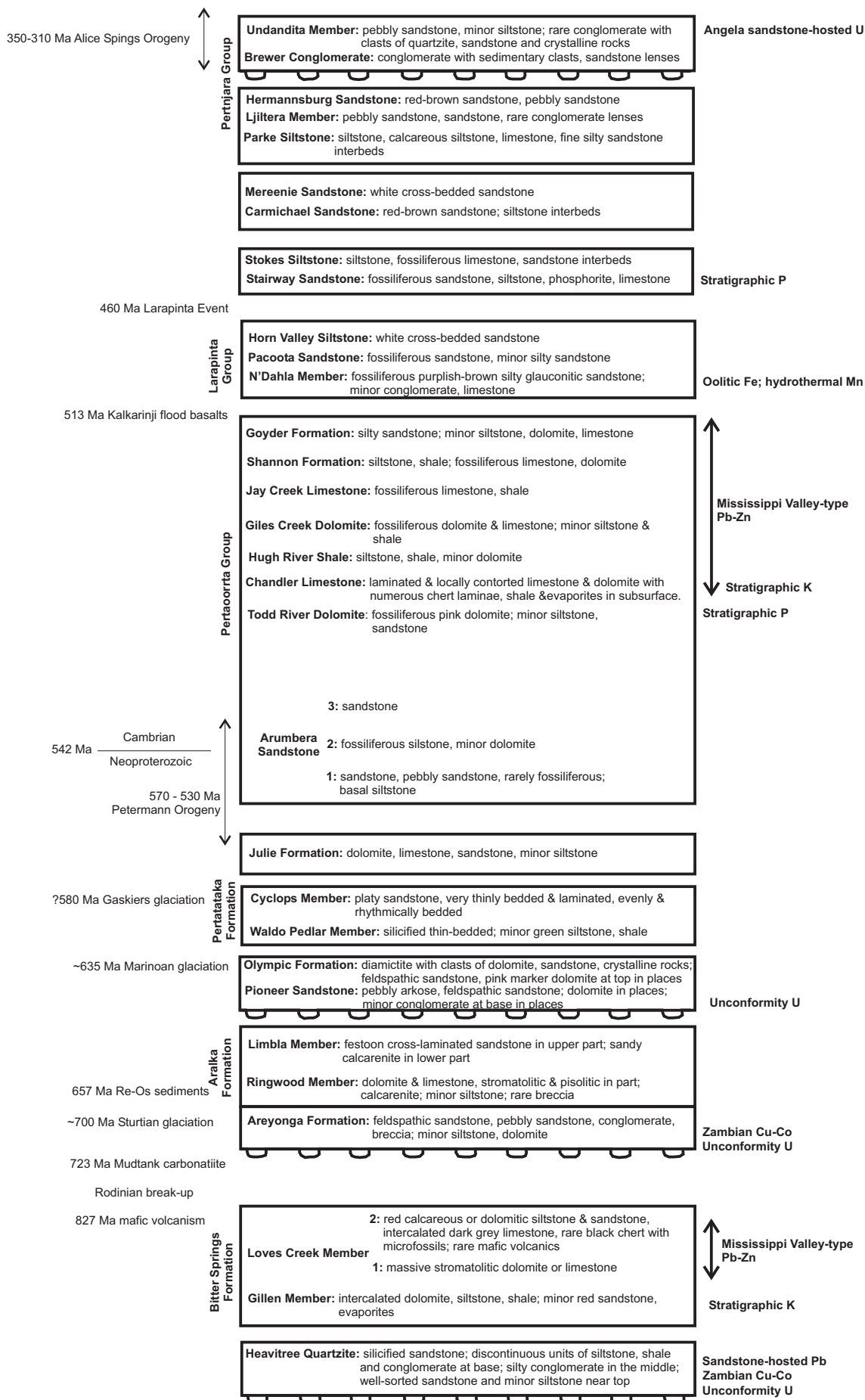


Figure2: Amadeus Basin stratigraphic column. Unit names from northern part of basins. Regional and global events on left side. Known and possible mineralisation on right side.