



NORTHERN GOLD NL

ACN 009 620 937

STOCK EXCHANGE ANNOUNCEMENT

BURNSIDE JOINT VENTURE

Substantial increase in the Cosmo Deeps resource to 1.0moz gold Northern Gold's resource base is now 1.2moz gold

29 November 2004

- The Burnside Joint Venture (50% Northern Gold) has increased the gold resource of the **Cosmo Deeps Project** from 0.7moz to **1.0moz of contained gold**, comprising 7.5 million tonnes at an average grade of 4.30g/t.
- Significantly, the primary eastern lode of the Cosmo Deeps deposit contains an **indicated resource of 2.0 million tonnes at 6.12g/t for 386,000oz of gold**, and a parallel secondary eastern lode contains an indicated resource of 1.3 million tonnes at 3.6g/t for a further 155,000oz of gold.
- The increase and improved confidence in the Cosmo Deeps resource estimate is based upon drilling programs reported during the year and on detailed geological modelling work. The mining scoping study will now be updated for the latest resource estimate.
- Cosmo Deeps forms the key longer term asset of the Burnside JV and is aimed to be developed as an underground operation producing up to 100,000ozpa during the middle and later stages of the Burnside JV minelife.
- The Cosmo Deeps deposit is open at depth and along strike to the north, as well as in the western lode areas. Drilling programs are being considered to infill existing zones and to target further resource extensions.
- The Burnside JV total resource position now stands at **27.9 million tonnes at 2.65g/t for 2.4 million ounces of gold**, with Northern Gold's attributable share being **1.2 million ounces**.

Cosmo Deeps Project Overview

The Cosmo Deeps deposit comprises a number of parallel mineralised lodes extending beneath the previously-mined Cosmo Howley open pit on both the eastern and western flanks of a large north-plunging dolerite anticline structure. The deposit is owned by the Burnside JV between Northern Gold (50%) and Harmony Gold Mining Company Limited (50%), and is located adjacent to the main highway approximately 150km south of the city of Darwin in Australia's Northern Territory.

Cosmo Deeps forms the key longer term asset of the Burnside JV and is aimed to be developed as a substantial underground gold mining operation producing up to 100,000ozpa during the middle and later stages of the Burnside JV minelife. Ore from Cosmo Deeps is planned to be hauled approximately 60km south to the Burnside JV's Union Reefs treatment plant. The results of the drilling undertaken in 2004 and the outcome of the recent resource modelling work provide good indications that this objective is achievable.

Resource Estimate

Work on the latest resource estimate for Cosmo Deeps incorporates the results of the two successful resource-definition drilling programs completed during the year. Based on the results of these programs and on examination of historical drill core and records, the Cosmo Deeps deposit has been remodelled in detail resulting in the upgraded resource estimate, as follows:

	Resource Classification						Total		
	Indicated			Inferred			Tonnes	Grade (g/t)	Ounces
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces			
Eastern Lode - Primary	1,960,500	6.12	385,800	1,028,200	3.35	110,700	2,988,700	5.17	496,500
Eastern Lode - Secondary	1,338,300	3.60	154,900	2,323,300	3.48	259,900	3,661,600	3.52	414,800
Western Lodes				857,000	4.63	127,600	857,000	4.63	127,600
Total	3,298,800	5.10	540,700	4,208,500	3.68	498,200	7,507,300	4.30	1,038,900

The resource estimate incorporates over 1,100 recent and historical drilling data points, and has been calculated using conventional geostatistical estimation methods. The estimate has been undertaken by both in-house geological personnel and external geostatistical consultants.

The resource model encompasses the Cosmo Deeps mineralised lodes down to a maximum vertical depth of 655 metres below surface, with the "indicated" resource component covering the upper 200-250 metres of the eastern lodes. The strike length of each of the parallel eastern lodes is approximately 300-350 metres. The resource model shows good grade continuity and geological confidence within the indicated component, with further drilling expected to increase the confidence in the deeper "inferred" resource components and enable conversion into indicated status in due course. A colour 3D graphic image of the various Cosmo Deeps lodes is attached for reference.

The resource estimate has been calculated using a lower cut-off grade of 2g/t and geostatistically-determined top-cut grades in the range 20-40g/t. Sensitivity to top-cut grades is very low given the relatively consistent grade distribution.

Mining Scoping Study

Initial mining scoping study work examining the potential for Cosmo Deeps to be mined as a substantial underground gold operation was undertaken in the previous quarter. This work, which was based only on the top 300 metres of the primary eastern lode, has indicated the project to be economically robust at current gold prices, providing a mine life of 3-5 years with targeted annual production of up to 100,000 ounces.

The Mining Scoping Study will now be updated for the latest resource model, focusing on the indicated resource components of the primary and secondary eastern lodes which contain a total of 541,000 ounces of gold.

Future Potential

The Cosmo Deeps eastern lodes are open at depth and to the north, and have increased true widths and grades at the deepest extent of the recent drilling (approximate vertical depth of 500 metres). Following completion of further Mining Scoping estimates, drilling programs will be considered to infill and improve confidence in parts of the existing resource, and to extend the resource at depth.

The Cosmo Deeps western lodes have been shown by previous upper-level drilling to have mineralisation styles similar to the eastern lodes. The western lode system remains untested beneath the existing open pit down plunge to the north and down dip to the west. Accordingly, drill testing of the western lode system will also be reviewed.

Burnside JV and Northern Gold Resources

With the establishment of the new upgraded Cosmo Deeps resource estimate, the total reported gold resource of the Burnside JV has now increased to 27.9 million tonnes at 2.65g/t for 2.4 million ounces of gold. Northern Gold's attributable share is now 1.2 million ounces of gold.

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Information in this report relating to ore reserves, mineral resources and mineralisation conforms to the reporting requirements of the 1999 Edition of the "Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves". It is based on information compiled by a Competent Person as defined in the Code being Mr Peter Harris (B.Sc(Geol), M.AIG) of Burnside Operations Pty Ltd, who has acted as Competent Person for the Cosmo Deeps resource estimate set out in this release. Mr Harris has sufficient experience in mineral resource estimation relevant to the style of mineralisation and type of deposit under consideration, and consents to the inclusion in this public release of the matters based on his information in the form and context in which it appears. Information in relation to the other Burnside JV resources is also based on the work of Competent Persons as defined under the Code, being Mr Harris, Mr Alf Gillman (B.Sc(Hons), F.AusIMM, CP (Geol)) of Harmony Gold Mining Company Ltd, Mr Bill Makar (Dip Min.Sc., M.AusIMM) and Mr Peter Langworthy (B.Sc(Hons), M.AusIMM) of Jericho Exploration Pty Ltd. Refer Northern Gold NL's 2004 annual report for details.

Burnside JV

Cosmo Deeps Underground Project 3D Graphic Image of Mineralised Lodes November 2004

