

- **NORTHERN MINING RAISES \$1,034,980.00**
- **HOLDING INCREASES IN THE EAST KALGOOLIE PROJECT TO 90%**
- **COMMENCES DRILLING AT THE HIGHLY PROSPECTIVE BLAIR NORTH PROSPECT, EAST KALGOOLIE**

Northern Mining Limited is pleased to announce it has raised \$1,034,980.00 million (before costs) by placing 17,249,666 shares at six (6) cents each to sophisticated investors. Quotation of the new shares on the ASX will be applied for as soon as possible.

Cazaly Resources Limited (CAZ) has accepted an offer from Northern Mining Limited (NMI) to purchase 100% of Cazaly's right, title and interest in the East Kalgoorlie JV Tenements (Figure 1), free from all Encumbrances other than existing royalty agreements, for the following:

- (1) payment of \$400,000 in cash at Completion; and
- (2) the issue to Cazaly at Completion of 1,500,000 options to purchase shares in NMI exercisable at 15 cents per option on or before 31 December 2011.

The Offer is subject to NMI obtaining all necessary approvals to the transfer of the Tenements and the issue of the Options (under the Mining Act and the Official Listing Rules of ASX Ltd);

The East Kalgoorlie Joint Venture consists of 18 tenements covering a total area of approximately 11,700 hectares of which, upon completion of the agreement, NMI will hold 90% (refer Figure 1). To date, Balagundi Gold has earned a 10% interest in the Project with the right to increase its interest to 24% by funding a further 2,800m of RC drilling.

A 5,000 metre rotary air blast (RAB) drilling programme is currently underway at the highly prospective Northern Zone of the East Kalgoorlie Blair North Prospect. Gold and nickel anomalies from the recent auger soil sampling programme will also be tested. Following the RAB programme, a reverse circulation (RC) programme of over 1,000 metres will commence to test shallow and deep gold targets at Blair North's George's Reward (previously known as the Southern Zone) with the objective of extending the high grade, gold mineralised zones in a southerly and westerly direction.

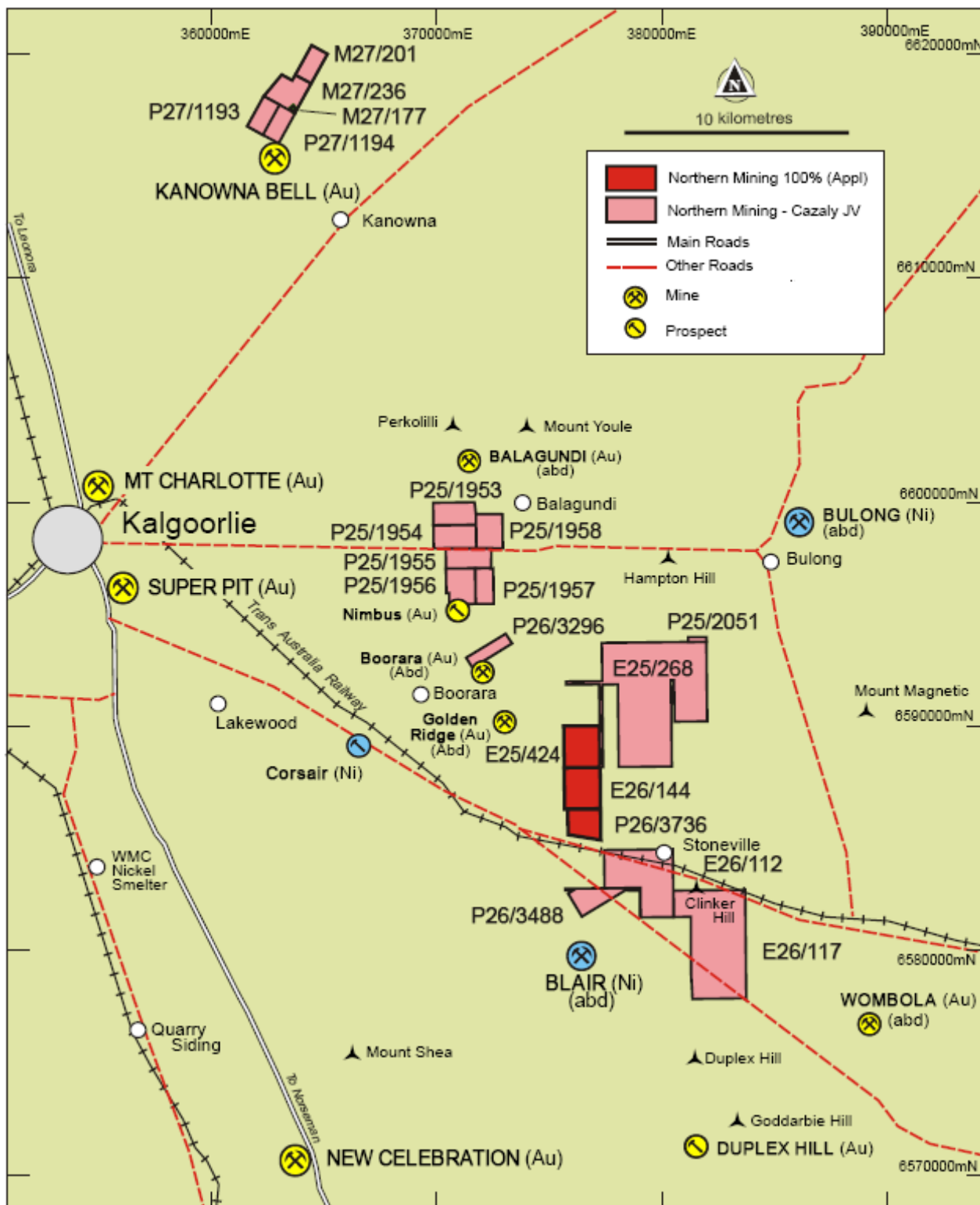
Results of the programme will be announced as they become available.

**ALAN LOCKETT
EXECUTIVE CHAIRMAN**

Information in this announcement that relates to Exploration Results is based on information compiled by Adrian Black, Newexco Consulting Geologist, who has sufficient experience relevant to this style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Adrian Black is a Non-Executive Director of Northern Mining Limited and is a member of the Australasian Institute of Geologists. He consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. Newexco, through its associated company Skryne Hill Pty Ltd, owns 5.5 million shares and 4.85 million options in Northern Mining Limited. Adrian is also a Director of Balagundi Gold Pty Ltd, Farminor to the East Kalgoorlie Project. Balagundi may earn a 24% interest in the Project by collectively completing 7,346 metres of reverse circulation (RC) and diamond drilling with Northern Mining Limited before December 2010.



Figure 1: East Kalgoorlie Project Tenements



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