



Quarterly Report to 30 September 2009

HIGHLIGHTS:

BLAIR NORTH, EAST KALGOORLIE PROJECT

- **EXTENSIVE GOLD FOOTPRINT CONFIRMED AT NORTHERN ZONE**
- **MAGMATIC NICKEL SULPHIDE SIGNATURE IDENTIFIED**
- **EXCELLENT RC GOLD AND NICKEL SULPHIDE TARGETS**
- **HOLDING INCREASES IN EAST KALGOORLIE PROJECT TO 90%**
- **2,000m RC DRILLING PROGRAMME COMMENCES INC 480m JOINT DRILLING WITH SAU**

CAPITAL RAISING:

- **NMI RAISES \$1,034,980.00**

BLAIR NORTH PROSPECT E25/268, EAST KALGOORLIE PROJECT – WESTERN AUSTRALIA

(Northern Mining Ltd 90%, Balagundi Gold Pty Ltd 10%, right to earn to 24%)

BRIEF UPDATE:

On the 20th October, the Company announced that rotary air blast (RAB) drilling at the Blair North Northern Zone had confirmed an extensive gold footprint measuring approximately 600m by 600m (Figure1). Gold is dispersed throughout a large palaeo-channel with several values over 1 g/t (including 16m @ 1.1g/t) and maximum values of 6.4 g/t. Anomalous gold was also encountered in weathered bedrock (Table 1).

At George's Reward (Southern Zone), follow-up RAB drilling to recent soil auger sampling encountered anomalous gold in several holes with the best intersection returning 3 metres @ 0.65 g/t. The RAB holes also tested anomalous nickel-copper responses from the recent auger soil sampling programme with best values encountered in hole BNR0351 returning a strong response; 22m @ 0.18% Ni, 464ppm Cu (Table 2). This equates to a bedrock response for magmatic nickel sulphides.

The purpose of the recent RAB programme was to:

- follow up anomalous gold and nickel geochemical responses from the auger soil programme in the Southern Zone;
- complete RAB coverage in the Northern Zone where high grade gold (BNRC051 2m @ 13 g/t) and thick (BNRC017 24m @ 2.16 g/t) was previously encountered.

In total, 67 holes were completed for 4353 metres at an average depth of 65 metres.

Excellent reverse circulation (RC) gold and nickel sulphide targets were generated from the RAB programme and a follow-up ~2,000 metre RC drilling programme has commenced. The programme includes ~480 metres of RC drilling joint funded with Southern Gold to test the common boundary on George's Reward.

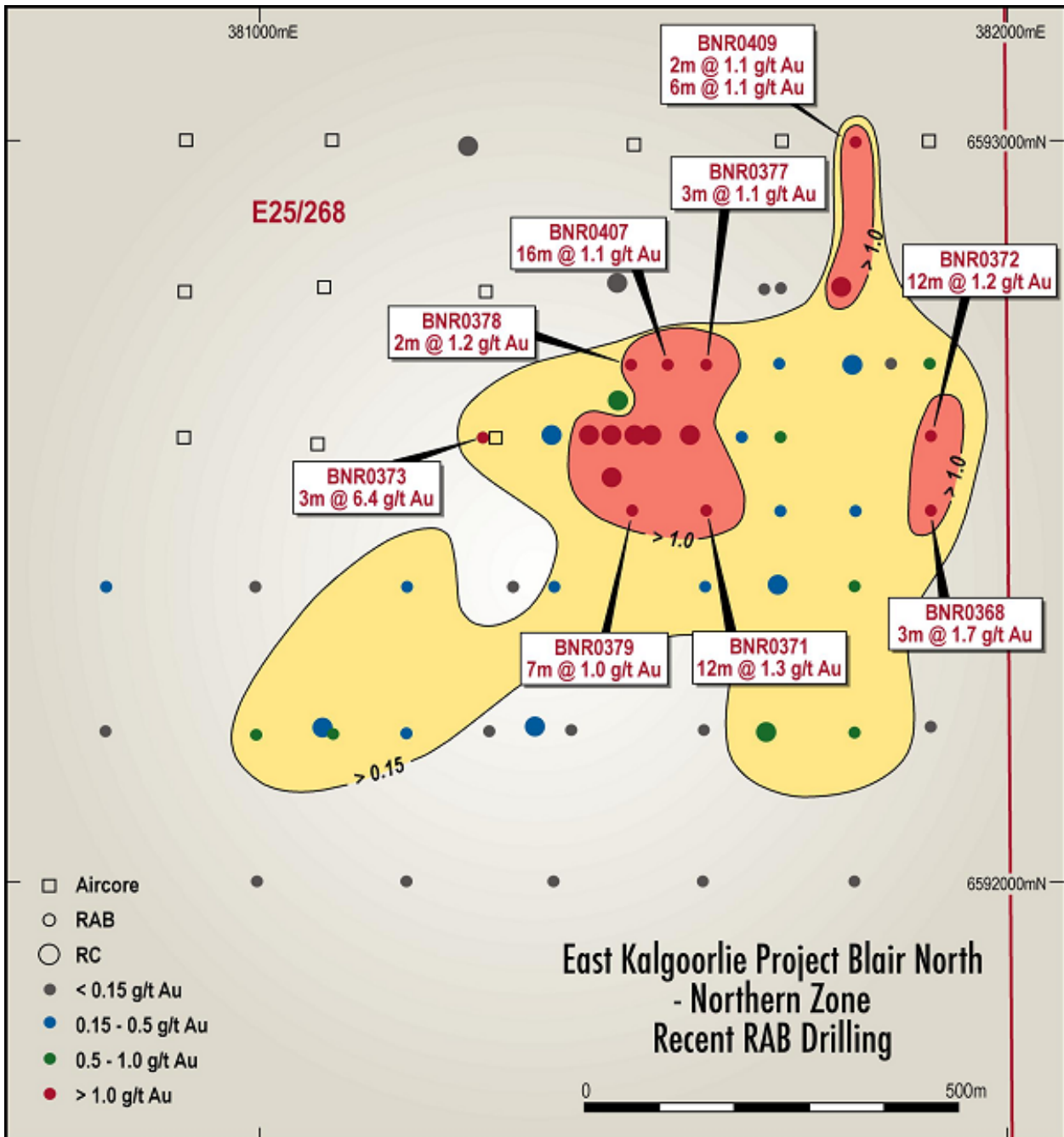




BLAIR NORTH – NORTHERN ZONE

RAB DRILLING RESULTS – OCTOBER 2009

Figure 1: E25/268 Northern Zone RAB drilling results showing extensive gold footprint





RAB DRILLING RESULTS – OCTOBER 2009 continued

Table 1: Northern Zone Significant RAB Gold Intersections – October 2009 Drilling Programme

Hole	East	North	From (m)	To (m)	Interval	Au g/t	Comments
BNR0368	381900	6592500	70	73	3	1.7	Bedrock gold
BNR0371	381600	6592500	30	39	9	1.4	Transported gold above bedrock
BNR0371			35	39	4	2.4	Included in above
BNR0371			72	74	2	0.1	Traces in bedrock
BNR0372	381900	6592600	50	62	12	1.2	Gold lying on bedrock
BNR0372			54	57	3	2.0	Included in above
BNR0373	381300	6592600	25	30	5	1.6	Transported gold in clay zone
BNR0373			40	45	5	1.0	Transported gold in clay zone
BNR0373			56	59	3	6.4	Transported gold above bedrock
BNR0377	381600	6592700	34	42	8	0.6	Gold at base of clay zone
BNR0377			34	40	6	0.8	Included in above
BNR0377			34	37	3	1.1	Included in above
BNR0378	381500	6592700	43	45	2	1.2	Transported gold above bedrock
BNR0379	381500	6592500	20	49	29	0.4	Clays, Qtz, granite and Basalt
BNR0379			42	49	7	1.0	Vein quartz in granite and basalt
BNR0407	381550	6592700	34	50	16	1.1	Gold in quartz in granite
BNR0407			34	38	4	2.2	Included in above
BNR0407			44	50	6	1.2	Included in above
BNR0409	381800	6593000	41	46	5	0.5	Gold lying on bedrock
BNR0409			44	46	2	1.1	Included in above
BNR0409			64	70	6	1.1	Bedrock gold

PREVIOUS RESULTS – NORTHERN ZONE:

- **RC drilling further extends zone of gold mineralisation**
- **Widespread halo of gold mineralisation at shallow depth**
- **High grade RC intersection**

2m @ 12.98g/t Au

In the Northern Zone, significant traces of gold have been intersected over a widespread area measuring approximately 600m x 600m with high grade reverse circulation (RC) intersections (BNRC051 2m @ 12.98 g/t Table 2) centred around BNRC017 (24m @ 2.2g/t Au from 33m to 57m including 9m @ 5.07g/t Au and 2m @ 17.17g/t Au).



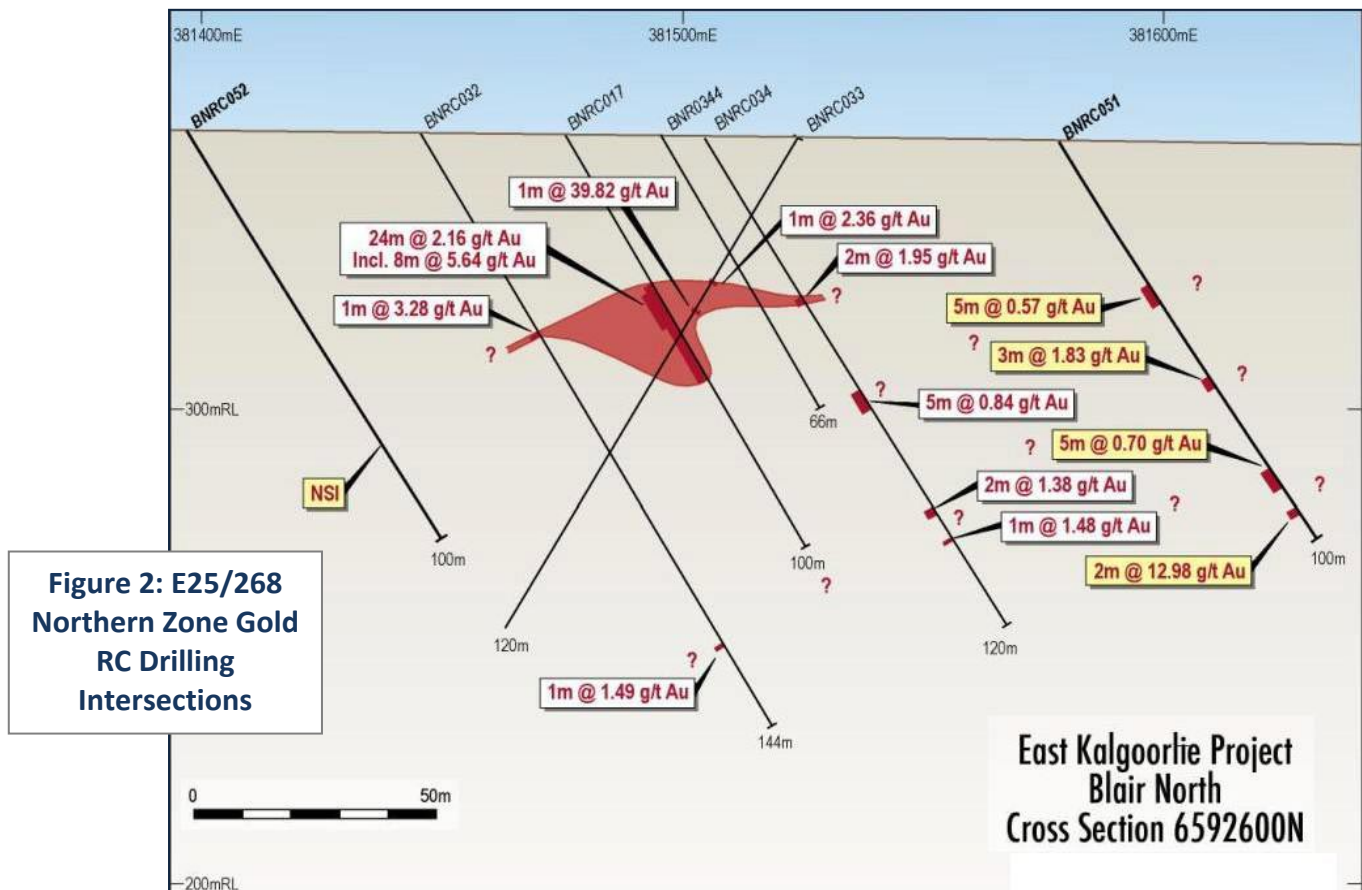
PREVIOUS RESULTS – NORTHERN ZONE continued

Table 2: Significant RC Gold Intersections – Northern Zone

Hole	North	East	Length	Dip	Azim	From (m)	To (m)	Interval (m)	Au (g/t)
BNRC050	6592550	381475	120	-60	090	49	52	3	1.40
						71	76	5	2.03
						117	120	3	0.46
BNRC051	6592599	381575	100	-60	090	26	41	5	0.57
						59	62	3	1.83
						82	87	5	0.70
						92	94	2	12.98
BNRC053	6592700	381800	132	-60	090	126	130	4	0.24
BNRC054	6592400	381700	90	-60	090	88	90	2	0.42

Hole BNRC050 was drilled 50 metres south of hole BNRC017. This exploration step-out hole targeted the strike extension of BNRC017 and confirms a widespread halo of gold mineralisation at shallow depth. Hole BNRC051 was drilled 100 metres east of hole BNRC017 and intersected 2 metres of high grade gold from 92m to 94 metres @ 12.98 g/t with lower grades higher up the hole.

The Northern Zone is an area with widespread gold intersections encountered in RAB and RC drilling (Figure 2).

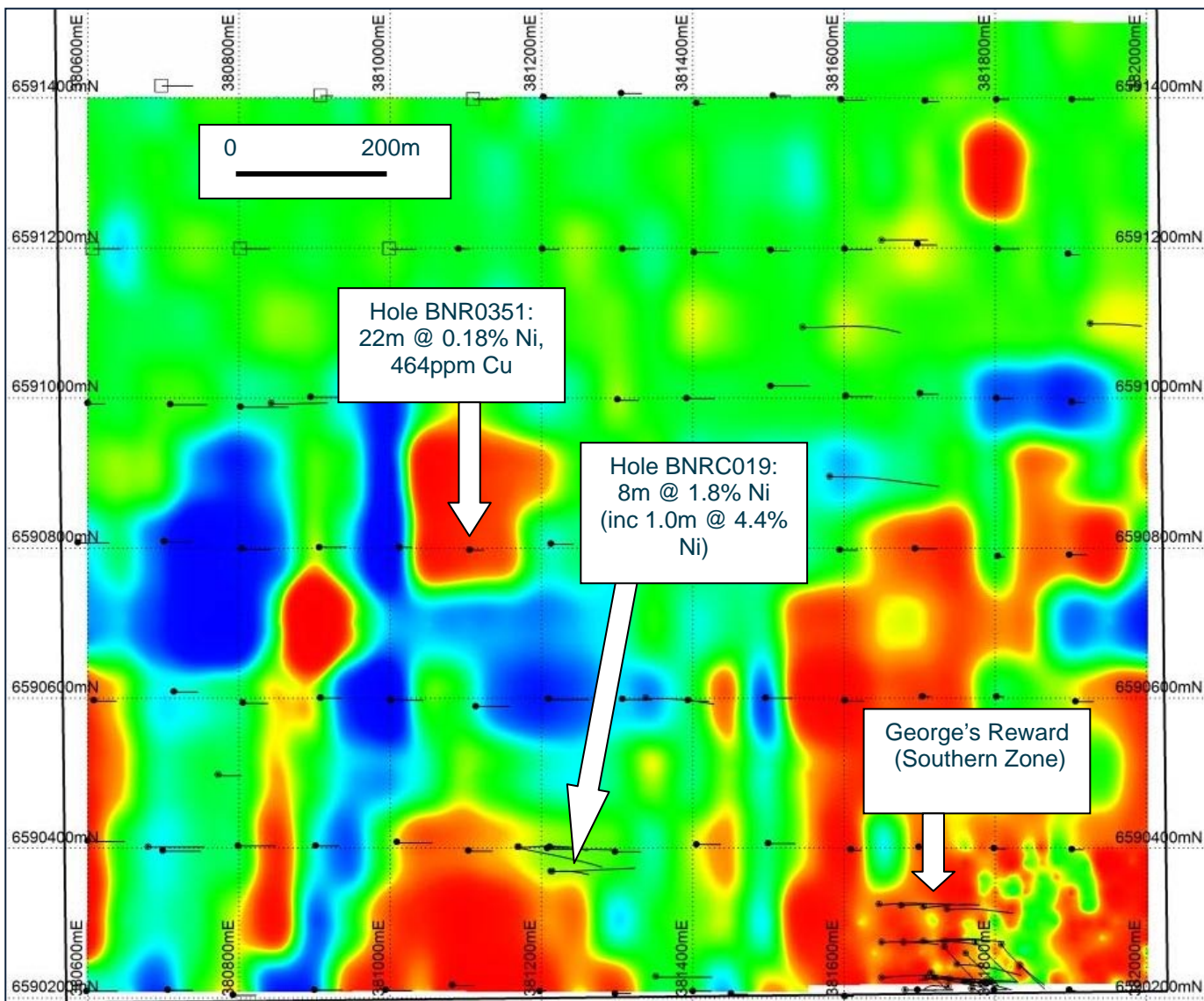


SOUTHERN ZONE – NICKEL HIGHLIGHTS:

The October 2009 RAB drilling tested anomalous nickel-copper responses from the recent auger soil sampling programme with best values encountered in hole BNR0351 returning a strong response; 22m @ 0.18% Ni, 464ppm Cu (Figure 3). This equates to a bedrock response for magmatic nickel sulphides.

In July 2009, auger samples were analysed for arsenic (As), copper (Cu), cobalt (Co) and nickel (Ni) to outline areas prospective for nickel sulphides with the supporting chalcophile elements Cu and Co. Several areas anomalous in nickel were outlined with peak values of 2181ppm and 1078ppm (Figure 3).

Figure 3: Southern Zone Soil Sampling Anomalous Nickel Results – July 2009



RC drill testing in July 2008, followed up a massive nickel sulphide target, identified from a downhole TEM survey undertaken in hole BNRC008 earlier in the year. Hole BNRC019 intersected 8m @ 1.84% Ni which included 1.0m @ 4.4% Ni (Table 3, Figure 3).

Table 3: Significant Nickel Results – RC Drilling of Nickel Sulphide Target (July 2008)

Hole No	Grid Co-ordinates				Intersections					
	Northing (GDA94)	Easting (GDA94)	Dip (deg)	Azimuth (deg)	From (m)	To (m)	Intercept (m)	Grade (% Ni)	Grade (ppm Cu)	Sulphides
BNRC019	6590399	381178	-50	105	156	164	8	1.84	1440	Primary
including					156	159	3	2.63	2414	
including					161	163	2	2.94	1825	
including					161	162	1	4.40	2174	
BNRC036	6590370	381213	-50	090	121	122	1	1.77	2113	Supergene



GEORGE'S REWARD (SOUTHERN ZONE) – GOLD HIGHLIGHTS:

- **Coarse, free gold open to the north, south, west and at depth**
- **Along strike continuity of gold shoots**
- **Possible extensions to area of near surface gold mineralisation**
- **Three anomalies significantly extend gold anomaly footprint**
- **Several anomalous nickel areas outlined**

OVERVIEW:

April 2009 RC Drilling Programme:

During April 2009, a total of seven RC holes were drilled at George's Reward (previous gold values up to 34.55g/t Au in BNRC020).

Assays returned the following best intersections:

Hole BNRC039 23 metres @ 2.43g/t Au including 9 metres @ 4.80g/t Au and 3 metres @ 10g/t Au

Hole BNRC046 26 metres @ 2.13 g/t Au including 7 metres @ 6.37g/t Au

The drilling was successful in extending the mineralised zone up-dip to the northeast with BNRC039 intersecting 23 metres at 2.43 g/t from 6m to 29m within 5 metres of surface. Down-dip and to the west, hole BNRC047 intersected 21 metres at 1.29 g/t from 157m to 178m (Table 5).

Table 5: George's Reward – Best Gold Intersections from April 2009 RC Drilling Programme

Hole	North	East	Dip	Azim	From (m)	To (m)	Interval	Au (g/t)
BNRC 038	6590245	381750	-60	090 Including	29	36	7	0.83
					29	32	3	1.23
					48	54	6	1.03
					58	59	1	7.03
					142	143	1	2.55
BNRC 039	6590225	381795	-60	090 Including Including	6	29	23	2.43
					7	16	9	4.80
					13	16	3	10.00
BNRC 046	6590260	381761	-60	135 Including Including	25	51	26	2.13
					25	30	5	1.79
					44	51	7	6.37
BNRC 047	6590215	381740	-75	273 Including	157	178	21	1.29
					158	168	10	1.95
					173	178	5	1.09

June/July 2009 RC and Soil Sampling Programmes:

Soil sampling and RC drilling programmes completed in June/July 2009, returned encouraging, positive results for George's Reward.

The RC programme extended the mineralised envelope of George's Reward, which contains coarse, free gold and is open to the north, south, west and at depth and has been intersected over 100 metres of strike length.

Coarse, Free Gold

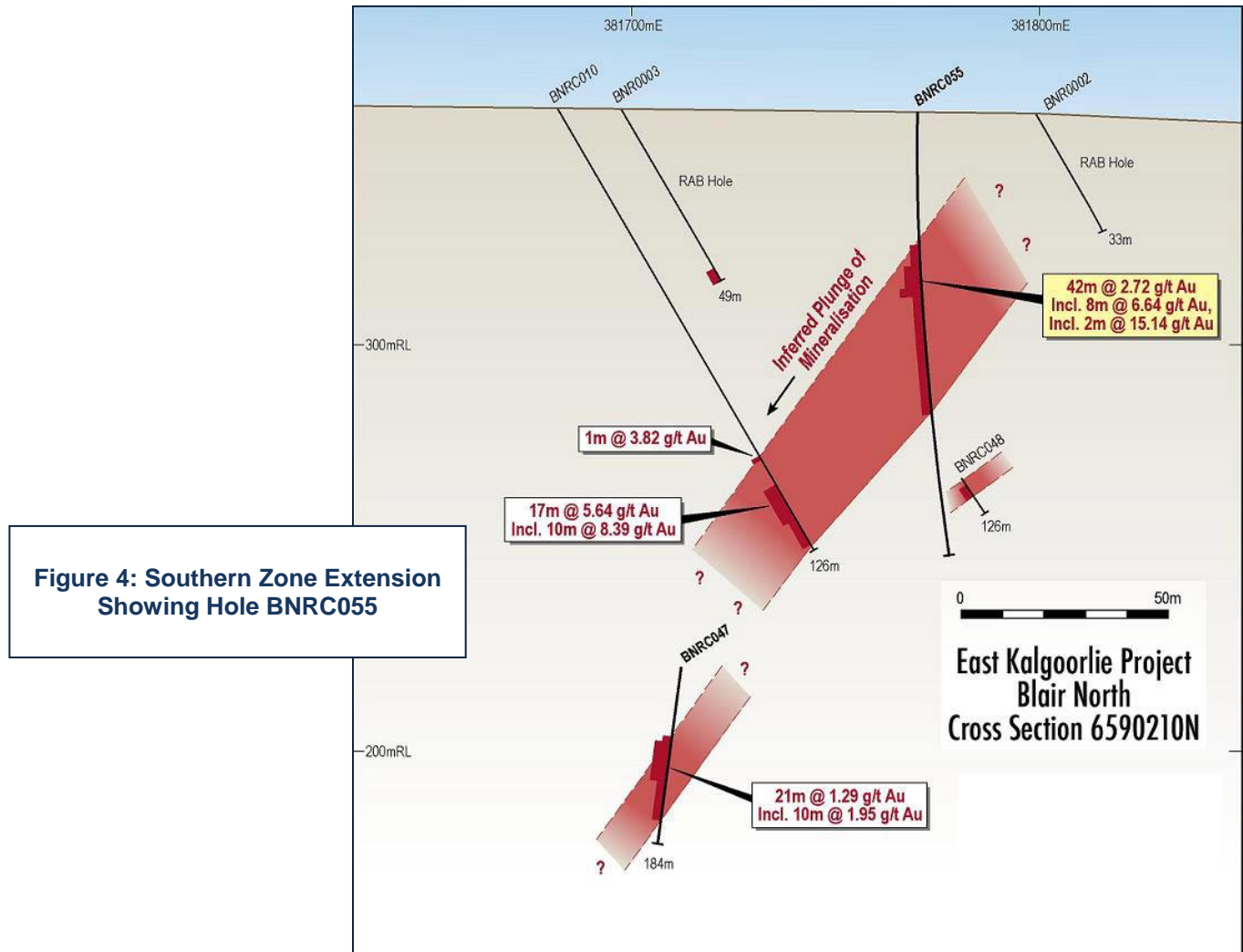
As previously announced on the 24 June 2009, as a follow up to diamond drilling carried out in Nov-Dec 2008, seven mineralised samples of drillcore were taken from holes BND001 (23.5m @ 2.78g/t Au with values up to 28.6 g/t Au) and BND002 (7.00m @ 4.49 g/t Au and 9.63m @ 6.35 g/t Au with values up to 28.82 g/t Au). Mineragraphic and petrographic descriptions show that free gold is evident in five samples with gold grains up to 150 microns being directly associated with pyrite and chalcopyrite. This augers well for potential metallurgical recoveries of gold in the mineralised shoots.

GEORGE'S REWARD (SOUTHERN ZONE) – GOLD OVERVIEW:

Reverse Circulation Drilling Programme June 2009

The most significant drill hole from the June 2009 1,000 metre RC programme was BNRC055 which intersected 42 metres @ 2.72 g/t Au from 32 to 74 metres downhole in a vertical drillhole including high grade sections > 15 g/t (Figure 4).

This hole lies south of the main George's Reward intersections and was drilled with the objective of extending the mineralised envelope so that an assessment of a preliminary JORC Compliant, Inferred Resource may be carried out in the near future.



BNRC055 was drilled on Section 6590210N approximately 15 metres to the south of the main section (6590225N) to test for up-dip continuity of mineralisation previously seen in BNRC010 (107m – 124m 17m @ 5.64 g/t and 44m – 51m 7m @ 6.37 g/t and lateral continuity from other holes to the north namely BNRC037 24m – 53m 29m @ 2.11 g/t and BND001 44m – 67.5m 23.5m @ 2.78 g/t .

BNRC048 was drilled to test for extensions to mineralisation previously seen in BNRC046 (25 – 30m 5m @ 1.79 g/t and 44–51m 7m @ 6.37 g/t). Hole BNRC048 (8m @ 1.74 g/t Au from 72 to 80 metres downhole including 1m @ 9.9 g/t Au from 72m to 73m downhole) intersected shallow gold 15 – 20 metres along strike from BNRC046 confirming strike continuity of gold shoots (Table 6).

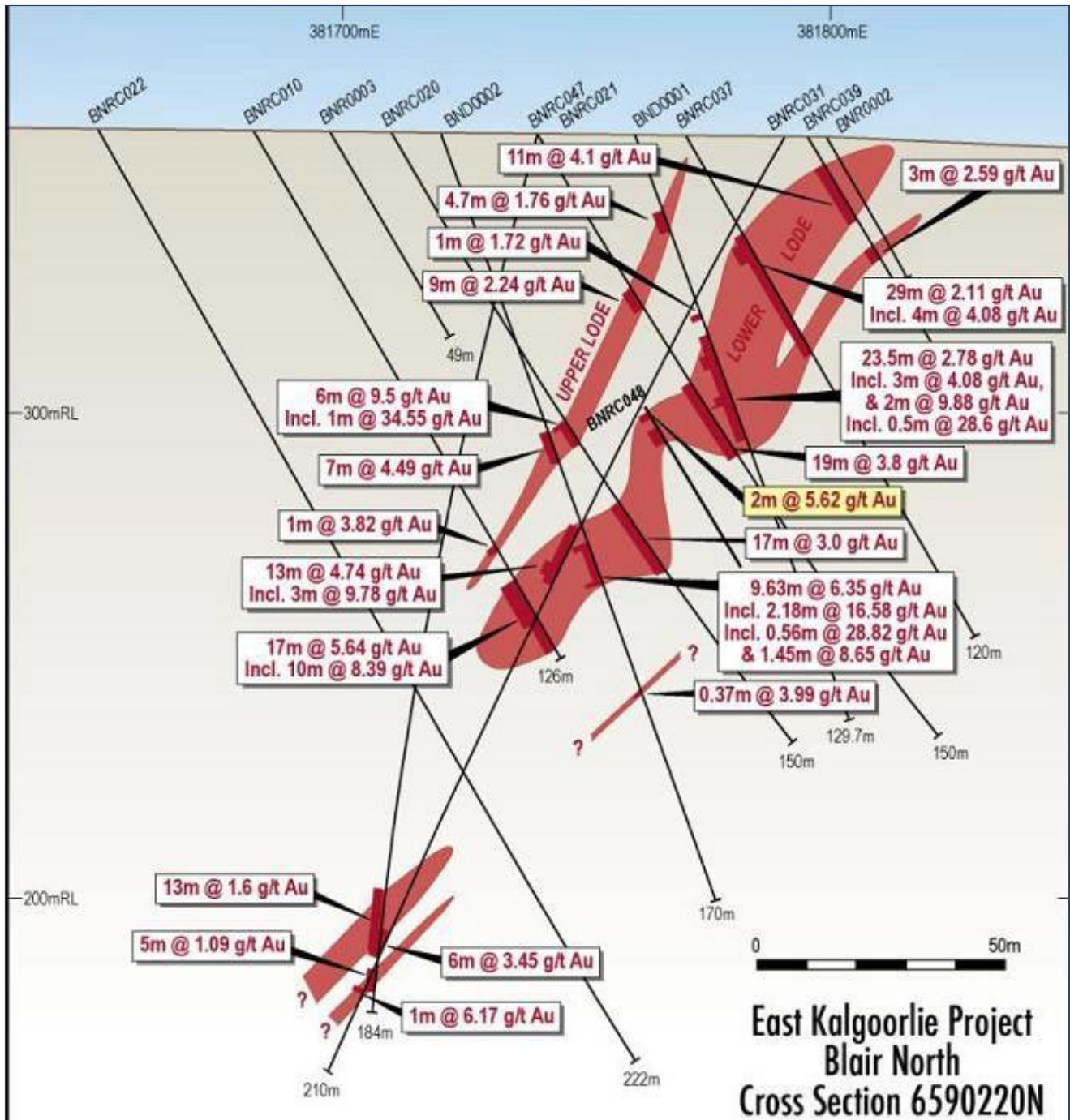
Table 6: Significant RC Gold Intersections June 2009

Hole	North	East	Length	Dip	Azim	From (m)	To (m)	Interval (m)	Au (g/t)
BNRC048	6590267	381732	126	-52	135	72	80	8	1.74
						72	73	1	9.90
						116	120	4	0.55
BNRC055	6590213	381770	109	-89	090	32	74	42	2.72
						37	45	8	6.64
						43	45	2	15.14



GEORGE'S REWARD (SOUTHERN ZONE) – GOLD OVERVIEW:

Figure 5: George's Reward (Southern Zone) – Best Gold Intersections



GOLD SOIL SAMPLING – SOUTHERN ZONE

Results for the first 150 soil samples from the sampling completed in the Southern Zone in June/July 2009, indicated a strong anomalous response with a broad anomalous halo measuring approximately 140m x 50m at the 100 ppb contour being co-incident with the known sub-crop of mineralisation clustered around BNRC039.

Three values were in excess of 1,000 ppb indicating that the soil sampling could be extended to other areas in the tenement to pick up the footprint of sub-cropping gold mineralisation. The anomaly is open to the west and on the basis of these excellent results the soil grid was extended with the objective of defining additional areas of near surface gold mineralisation.

Results of the soil grid extension were announced on the 24 June 2009. An extended and extensive auger (average depth 1.7m) soil sampling programme was carried out in July to an adjoining area measuring 1.2 x 1.4 kms over the most prospective southern portion of the prospect (Southern Zone). The normal reconnaissance sample spacing was 50m on lines 100m apart with a more detailed grid in the area of known high grade gold. The work outlined three areas anomalous for gold (Figure 6) – details are discussed below.

Area 1 – George’s Reward

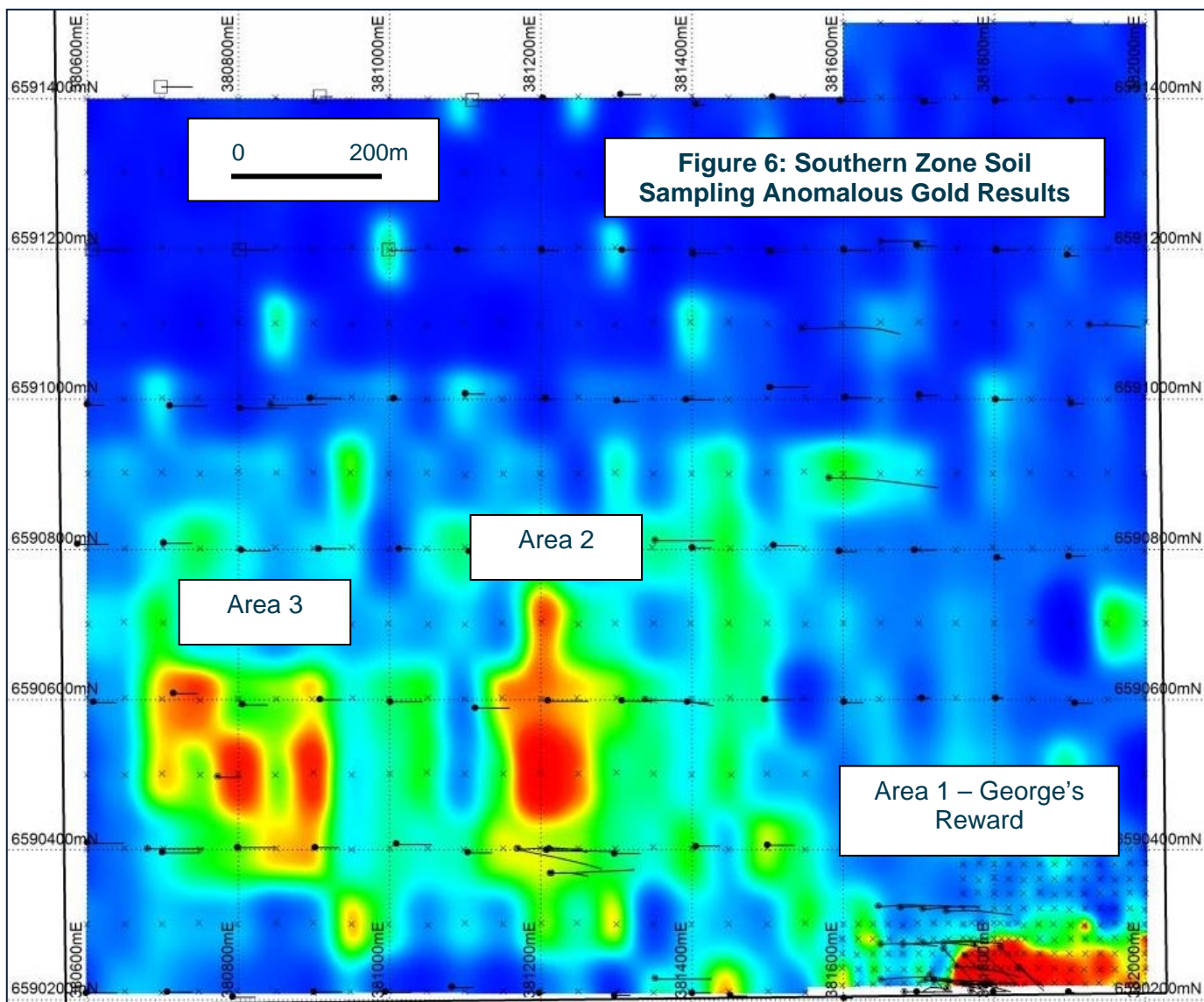
Sample sites spaced 10 to 20 metres apart on east-west lines 20 metres apart outlined an anomaly measuring 160m x 50m centred on 6590250N and 381800E at the 100ppb threshold with three values in excess of 1,000ppb Au. This anomaly is centred on the area of detailed drilling where high grade gold has been intersected in the most recent and historic RC and diamond drilling. The anomaly remains open to the south against the tenement boundary.

Area 2

This anomaly (centred on 6590500N and 381200E) measures 300m x 100m at the 50ppb contour level with a peak value of 226ppb Au.

Area 3

A more diffused anomaly (centred on 6590500N and 380800E) measuring 200m x 200m at the 50ppb contour level was outlined with 2 values over 100ppb Au (maximum value 119ppb).





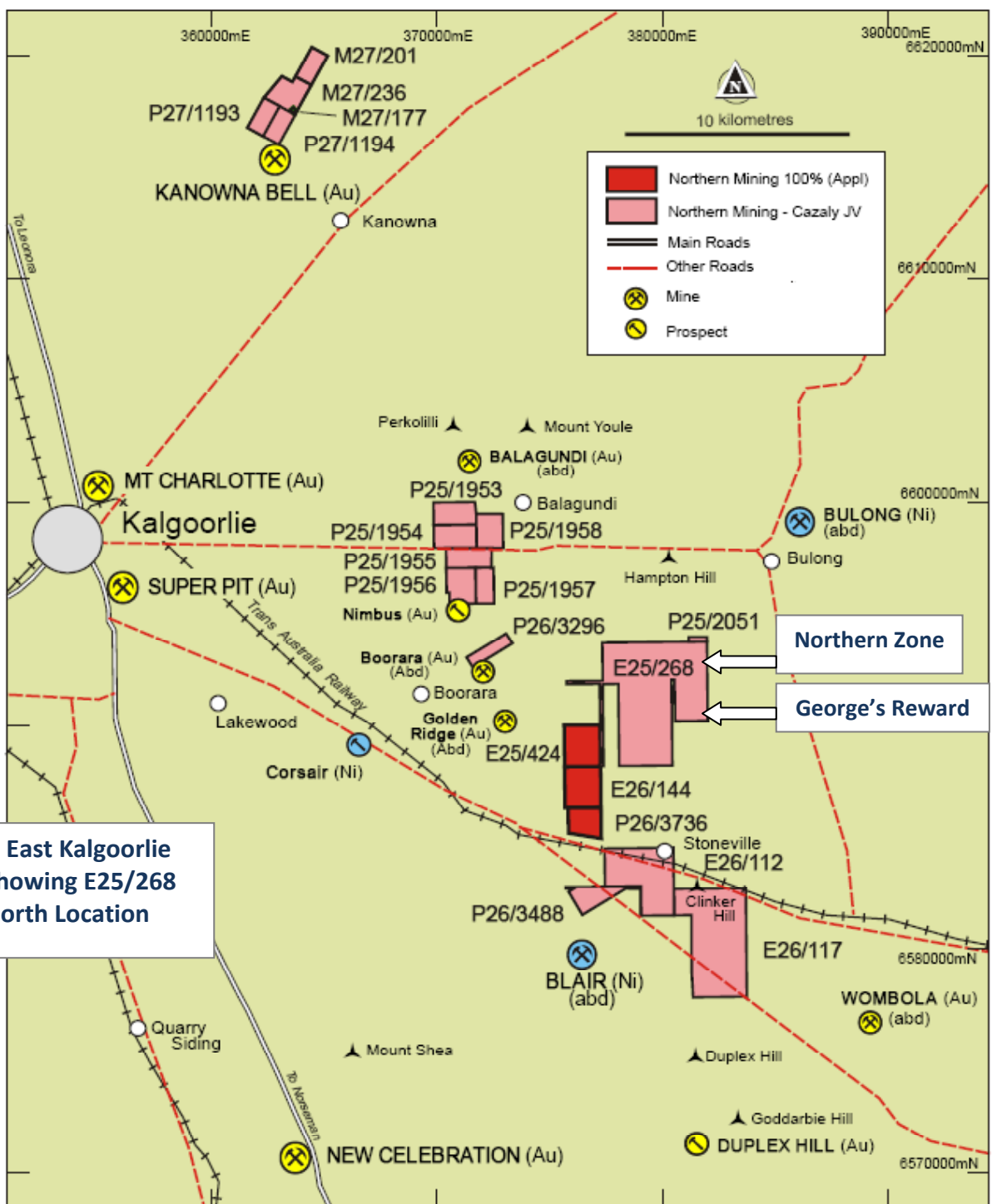
HOLDING IN EAST KALGOORLIE PROJECT INCREASES TO 90%

During the Quarter, Cazaly Resources Limited (CAZ) accepted an offer from Northern Mining (NMI) to purchase 100% of Cazaly's right, title and interest in the East Kalgoorlie JV Tenements (Figure 7), 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 7). 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.





DURACK RANGE PROJECT – WESTERN AUSTRALIA

(Northern Mining 100%)

During the Quarter, CSA Global completed a review of exploration carried out at the Durack Range Project in 2008 and concluded that there is potential for economic copper mineralisation to be found within the project area (previous grab samples returned Cu assays of over 1% Cu). Copper mineralisation appears to be widespread in the project area, hosted by several units of the Kimberley Group.

A field mapping and geochemical sampling programme commence on the 18 October 2009. The geochemical sampling programme will likely consist mainly of lithochemical sampling but soil and stream sediment samples may also be collected, depending on the results of the review of previous exploration.

NORTHERN TERRITORY

Milton Park Prospect E24746

(NuPower Resources earning 60%, Northern Mining 40%)

There was no work carried out on the tenement this quarter.

*Horseshoe Bend (NMI 100%), Mount Watt (NMI 100%),
Camel (NMI 100%), Crawford Creek (NMI 100%), Stokes Yard (NMI 80%)*

Fieldwork is due to re-commence this Quarter. There was no work carried out during the September Quarter.

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 Australian Institute of Geoscientists. 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.