



NORTHERN MINING
LIMITED

Northern Mining Limited

ABN 30 113 654 229

**Half-Year Financial Report
for the half-year ended
31 December 2016**

CONTENTS

	Page
CORPORATE DIRECTORY	1
DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	3
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	7
CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	8
DIRECTORS' DECLARATION	11
INDEPENDENT AUDITOR'S REPORT	12

CORPORATE DIRECTORY

DIRECTORS

Tong Ong
Non-Executive Chairman

Andrew Nai
Non-Executive Director

Danette Chan
Non-Executive Director

Gerald Woon
Non-Executive Director

COMPANY SECRETARY

Colin Lin

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Level 2
32 Martin Place
Sydney NSW 2000
Tel: +61 2 9200 4500
Email: info@northernmining.com.au

AUDITORS

**PKF (NS) Audit & Assurance Limited
Partnership**
Level 8, 1 O'Connell St
Sydney NSW, 2000

SHARE REGISTRY

Computershare Investor Services
Level 11, 172 St Georges Terrace
Perth WA 6000
Tel: +61 8 9323 2000

AUSTRALIAN SECURITIES EXCHANGE

ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX CODE: NMI

WEBSITE

www.northernmining.com.au

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the Group consisting of Northern Mining Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2016.

DIRECTORS

The names of Directors who held office during or since the end of the interim period and until the date of this report are as below. Directors were in the office for this entire period unless otherwise stated.

Tony Ong - Non-Executive Chairman
Andrew Nai - Non-Executive Director
Danette Chan - Non-Executive Director
Gerald Woon - Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the half-year were the exploration of mineral tenements such as gold, nickel and other minerals.

There were no other significant changes in the nature of the activities of the Group during the year.

REVIEW OF OPERATIONS

During the half year, the Company continues with its exploration and other business development activities.

OPERATING RESULTS

The Group made a loss for the period ended 31 December 2016 of \$254,400 (31 December 2015: Profit \$3,356,807).

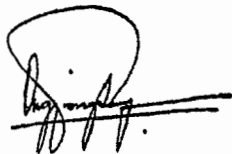
SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future periods.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the half-year ended 31 December 2016 as required under Section 307C of the Corporations Act 2001 is set out on page 3.

This report is signed in accordance with a resolution of the Board of Directors.



Tony Ong
Director

Dated: 14 March 2017

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF NORTHERN MINING LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Northern Mining Limited.

As lead audit partner for the review of the financial statements of Northern Mining Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

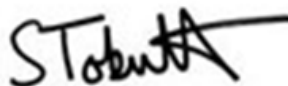
- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



PKF
Chartered Accountants

Sydney

Dated: 14 March 2017



SCOTT TOBUTT
Partner

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

Notes	Consolidated	
	31 December 2016 \$	31 December 2015 \$
Sale of tenements	-	3,555,000
Other income	20,401	74,976
Administration expense	(261,358)	(244,032)
Impairment of capitalised exploration costs	(8,026)	(28,664)
Depreciation expense	(338)	(473)
Foreign currency loss	(5,079)	-
(Loss) / profit before income tax	(254,400)	3,356,807
Income tax	-	-
(Loss) / profit for the period	(254,400)	3,356,807
Other comprehensive income		
<i>Items that may be classified to profit and loss</i>		
Foreign operations-foreign currency translation differences	831	277
Other comprehensive income for the period, net of tax	831	277
Total comprehensive (loss) / profit for the period	(253,569)	3,357,084
Net (loss) / profit attributable to:		
Owners of the Company	(256,109)	3,355,164
Non-controlling interests	1,709	1,643
	(254,400)	3,356,807
Total comprehensive (loss) / income attributable to:		
Owners of the Company	(255,485)	3,355,413
Non-controlling interests	1,916	1,671
	(253,569)	3,357,084
Earnings per share		
Basic (loss) / earnings per share (cents per share)	(0.02)	0.31
Diluted (loss) / earnings per share (cents per share)	(0.02)	0.31

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

		Consolidated	
		31 December 2016	30 June 2016
Notes		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		4,959,555	5,305,781
Trade and other receivables		19,763	73,014
Prepayments		66,500	43,585
Total current assets		5,045,818	5,422,380
Non-current assets			
Property, plant and equipment		2,906	3,244
Deferred exploration and evaluation expenditure	2	7,303,608	7,273,725
Total non-current assets		7,306,514	7,276,969
Total assets		12,352,332	12,699,349
LIABILITIES			
Current liabilities			
Trade and other payables	3	132,358	225,809
Total current liabilities		132,358	225,809
Total liabilities		132,358	225,809
Net assets		12,219,974	12,473,540
Equity			
Share capital	4	29,138,974	29,138,974
Reserves		(56,797)	(57,424)
Accumulated losses		(16,770,296)	(16,514,187)
Parent entity interest		12,311,881	12,567,363
Non-controlling interest		(91,907)	(93,823)
Total equity		12,219,974	12,473,540

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Share capital \$	Accumulated losses \$	Share based payments reserve \$	Foreign currency translation reserve \$	Non-controlling interest \$	Total \$
Consolidated						
Balance at 1 July 2015	24,915,988	(20,482,071)	774,807	(58,185)	(97,235)	5,053,304
Profit for the period	-	3,355,164	-	-	1,643	3,356,807
Other comprehensive income	-	-	-	249	28	277
Total comprehensive income for the period	-	3,355,164	-	249	1,671	3,357,084
Transactions with owners						
Issue of share capital (net of issue costs)	4,222,987	-	-	-	-	4,222,987
Balance at 31 December 2015	29,138,975	(17,126,907)	774,807	(57,936)	(95,564)	12,633,375
Balance at 1 July 2016	29,138,974	(16,514,187)	-	(57,421)	(93,823)	12,473,543
Loss for the period	-	(256,109)	-	-	1,709	(254,400)
Other comprehensive income	-	-	-	624	207	831
Total comprehensive loss for the period	-	(256,109)	-	624	1,916	(253,569)
Transactions with owners						
	-	-	-	-	-	-
Balance at 31 December 2016	29,138,974	(16,770,296)	-	(56,797)	(91,907)	12,219,974

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Consolidated	
	31 December 2016	31 December 2015
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(282,339)	(193,077)
Interest received	15,322	74,976
Net cash used in operating activities	(267,017)	(118,101)
Cash flows from investing activities		
Exploration expenditure	(79,209)	(63,418)
Payments for acquisition of subsidiary	-	(3,027,013)
Net proceeds from sale of tenement	-	3,524,530
Net cash (used in) / provided by investing activities	(79,209)	434,099
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Net (decrease) / increase in cash held	(346,226)	315,998
Cash and cash equivalents at the beginning of the period	5,305,781	5,241,596
Cash and cash equivalents at the end of the period	4,959,555	5,557,594

The accompanying notes form part of these financial statements.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

Note 1 Basis of preparation

Reporting Entity

Northern Mining Limited (the "Company") is a company domiciled in Australia. The consolidated financial statements of the Group as at and for the half-year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is a for-profit entity and primarily is involved in exploration for gold, nickel and other minerals.

The annual financial report of the Group for the year ended 30 June 2016 is available upon request or from the Company's website at www.northernmining.com.au

Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Northern Mining Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2016, together with any public announcements made during the following half-year.

The interim financial statements have been prepared on an historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The financial statements have been prepared on a going concern basis.

These interim financial statements were authorised for issue on 14 March 2017.

Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

Note 2 Deferred exploration and evaluation expenditure

	Consolidated	
	Six months to 31 December 2016 \$	Year to 30 June 2016 \$
Cost		
Balance at the beginning of period	9,778,808	2,459,772
Arising on acquisition of Northland Resources Limited	-	7,250,000
Expenditure incurred	37,909	69,036
Balance at the end of period	9,816,717	9,778,808
Impairment losses		
Balance at the beginning of period	2,505,083	2,459,772
Provision for impairment	8,026	45,311
Balance at the end of period	2,513,109	2,505,083
Carrying amounts at the end of period	7,303,608	7,273,725

Note 3 Trade and other payables

	Consolidated	
	31 December 2016 \$	30 June 2016 \$
Trade payables	64,468	157,895
Other creditors and accruals (i)	67,890	67,914
	132,358	225,809

(i) Other creditors includes \$36,314, owed to Tony Ong, a director (30 June 2016: \$36,314).

Note 4 Issued capital

	Consolidated	
	31 December 2016 \$	30 June 2016 \$
<i>Ordinary Shares</i>		
1,079,207,833 (30 June 2016: 1,079,207,833) issued and fully paid	29,138,974	29,138,974

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

Note 5 Segment information

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Northern Mining Limited.

During the period the Group operated in three geographical areas, being Australia, China and Poland. The geographical areas are regarded as being the operating segments of the Group and this is the format of the information provided to the chief operating decision-maker.

	Australia \$	China \$	Poland \$	Total \$
31 December 2016				
Segment revenue	19,031	1,370	-	20,401
Segment results	(211,111)	(43,289)	-	(254,400)
<i>Other segment information:</i>				
Impairment of capitalised exploration costs	8,206	-	-	8,206
Depreciation	338	-	-	338

	Australia \$	China \$	Poland \$	Total \$
31 December 2016				
Segment assets	4,232,741	8,119,418	173	12,352,332
Segment liabilities	(52,541)	(36,314)	(43,503)	(132,358)

31 December 2015				
Segment revenue	3,597,594	32,382	-	3,629,976
Segment results	3,431,173	(57,934)	(16,432)	3,356,807
<i>Other segment information:</i>				
Impairment of capitalised exploration costs	28,664	-	-	28,664
Depreciation	473	-	-	473

Note 6 Events subsequent to reporting date

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future periods.

Note 7 Contingent liabilities

There are no contingent liabilities at period end.

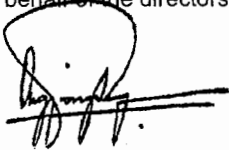
DIRECTORS' DECLARATION

In the directors' opinion:

1. The attached financial statements and notes, as set out on pages 4 to 10, comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the financial half-year ended on that date; and
3. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Tony Ong
Chairman

Dated: 14 March 2017

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF NORTHERN MINING LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Northern Mining Limited, which comprises the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 Review of Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*. As the auditor of Northern Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF NORTHERN MINING LIMITED**

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Northern Mining Limited is not in accordance with the *Corporations Act 2001*, including:

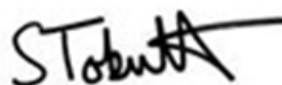
- (i) giving a true and fair view of the of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.



PKF
Chartered Accountants

Sydney

Dated: 14 March 2017



SCOTT TOBUTT
Partner