
QUARTERLY REPORT TO 31 December 2013

QUARTER OVERVIEW

- Compensation Claim for Groote Eylandt Project with Northern Territory Government
- NTM have sought a third party independent Groote Eylandt Project valuation
- Application for Consent – Blue Mud Bay
- Wounded Knee revision of mapping
- Mt Alexander – sold to Zenith Minerals Ltd

PROJECT UPDATES

Groote Eylandt Project

The Board and Management advise that your company is awaiting a response from the Northern Territory Government with respect to receiving a resolution to what has now been a long process spanning two governments and two separate constraints. The first was the original Moratorium imposed in March 2012 that stopped all mineral exploration and mining in NT waters for 3 years while an environmental study was to be conducted on the potential impacts of offshore exploration and mining. That moratorium was imposed by the previous Labor government and remains in place. The second constraint has been the move by the CLP Government to reserve land the subject of the Company's granted tenements adjacent to Groote Eylandt from mineral exploration and mining. The area targeted to be general reserved land is arguably the area with greatest potential for early success in exploration and mining. This inability to undertake exploration on our granted tenure in the Northern Territory has caused a serious erosion of investor confidence.

We emphasise that your company has, of course, at all times operated in strict compliance with the prevailing legislation and industry practices.

As evidence of our robust engagement with the NT Government on your behalf and evidence of the timeliness of interactions NTM received on the 23 January 2014 a letter Mr Scott Perkins the Chief Executive of the NT Department of Mines and Energy who advised as follows:-

“The Chief Minister acknowledges your email to him of 24 October and has asked me to reply.”

Mr Perkins went on to say “The matter is now drawing to a conclusion with two of the three companies involved close to settlement. In the case of Northern Manganese, your staff and legal representatives have been aggressive advocates and this has resulted in careful consideration of the issues they raised. You will be aware that there were extensive discussions between our Attorney General's Department and your legal team prior to the 2013 Christmas break and this has resulted in an offer to settle being prepared. That offer is now in final draft and you should have it shortly.

I trust we will have your full cooperation in ensuring that the offer is dealt with expeditiously.”

NTM advise that we have at all times endeavored to resolve this matter in a timely manner but as is evidenced from this reply it has and does involve long lead times from Government.

NTM continues to seek both cash compensation and the grant of priority rights to mineral exploration tenure should Northern Territory Government policy change and the Moratorium on Seabed Exploration and Mining and any general reserve that is imposed be withdrawn sometime in the future.

Blue Mud Bay

With the onset of the wet season and the unfortunate passing of a number of people from the community the first community meeting was unable to be scheduled.

The Blue Mud Bay Community's representative Mr. Conway Bush has confirmed the ongoing interest of the community.

The first quarter of 2014 will see a meeting planned subject to the severity of the wet season and access to the communities and outstations.

NTM has through our consultant Geologist undertaken a literature review of the geology of the Blue Mud Bay area which is known as the Katherine River Group.

Offshore Commonwealth Waters Project

No further activity occurred during the quarter. These tenements are located south of the Groote Eylandt West project and are only in the application stages.

Wounded Knee Project

No additional field work was undertaken during this quarter due to seasonal conditions. Ongoing mapping will be conducted in the second quarter of 2014.

Mt Alexander

As reported last quarter, your Board were looking for a Joint Venture partner or a willing buyer of the project. We subsequently reported on the 29th of October the company had sold the Mt Alexander project to Zenith Minerals Ltd (ZNC) in a cash and share deal.

Subsequent Events

During this quarter NTM have had ongoing meetings with our legal counsel regarding the Northern Territory's lack of action in respect of the proposed general reserved land and the Chief Minister's statements regarding the payment of compensation.

To aid the Government's decision-making NTM have sought a valuation of the relevant tenements to be undertaken by an independent expert and member of The AusIMM and AIG in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (Valmin Code).

NTM management is confident that the commissioning and results of the valuation will assist the Government in being able to resolve this matter early in 2014.

Mining Tenements Held as at 31 December 2013

Tenement	Status	Tenement Area (km²)
Groote Eylandt, Northern Territory (Northern Manganese 100%)		
A27605	Granted	685.10
A28131	Application	196.70
A28132	Application	115.00
A28133	Application	278.50
A28134	Application	772.90
A28135	Application	387.90
EL27521	Application	47.30
EL27522	Application	10.50
EL27523	Granted	738.00
EL27550	Granted	154.10
EL27551	Granted	87.70
EL27937	Application	0.20
OEL28098	Application	1472.00
OEL28099	Application	1615.00
OEL28100	Application	1595.00
OEL28101	Application	1587.00
OEL28102	Application	1603.00
OEL28103	Application	1578.00
OEL28104	Application	1546.00
OEL28105	Application	1613.00
OEL28106	Application	1079.00
Wounded Knee, Western Australia (Northern Manganese 100%)		
EL46/873	Granted	35 blks
Blue Mud Bay, Northern Territory (Northern Manganese 100%)		
EL28085	Application	1,349.96
EL28086	Application	1,337.84
EL28087	Application	1,192.23
EL28089	Application	4.70
EL28090	Application	1.64
EL28091	Application	7.08
EL28092	Application	2.72

Mining Tenements Acquired and Disposed during the December 2013 Quarter Acquired

Nil

Disposed:

Tenement	Status	Tenement Area (km²)
Mt Alexander, Western Australia (Northern Manganese 100%)		
E08/1987	Granted	88.80

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements during the December 2013 Quarter

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements Acquired or Disposed of during the December 2013 Quarter

Nil

Corporate

The Company is currently working through its funding arrangements and capital raising initiatives going forward.

Tenements

Mt Alexander E08/1987 was relinquished during this period

A handwritten signature in blue ink, appearing to be 'Lloyd Jones', with a large, stylized flourish extending to the right.

Lloyd Jones
Managing Director