

HRE discoveries at Gambit West and Cyclops at Browns Range, Western Australia

Highlights:

- Assays confirm Gambit West as a significant new Heavy Rare Earth (HRE) discovery, adding to the pipeline of development prospects at the Browns Range Project
- Gambit West results include high grades with excellent widths and continuity of mineralisation ,
 - 32m @ 1.73% (incl. 5m @ 4.36%),
 - 20m @ 2.36% (incl. 9m @ 4.92%) and
 - 13m @ 1.72% (incl. 5m @ 4.07%) TREO (Total Rare Earth Oxide) remains open at depth and along strike
- Gambit central zone continues to deliver high-grade results including:
 - 22m @ 1.29% and
 - 10m @ 1.93% TREO
- 3D modelling and interpretation is underway at Gambit in preparation of a resource estimate
- First pass drilling at newly identified Cyclops prospect intersects significant HRE mineralisation which remains open in all directions



RC Drilling at Browns Range

Rare Earth developer Northern Minerals (ASX:NTU) is pleased to announce results from drilling at its Browns Range project, which have confirmed exciting new mineralised zones with high grade HRE.

The drilling delivered particularly encouraging results from the new Gambit West prospect, returning wide HRE intersections with high grades and good continuity. The mineralisation also remains open along strike and at depth, and extends the Gambit mineralised trend to a strike length of nearly 1km.

The results from Gambit West support earlier indications from XRF readings, and confirmed the prospect as a key target in the pipeline of development projects at Browns Range. The prospect will be a focus of scoping and resource definition drilling programs in 2013.

Northern Minerals is expecting to deliver its maiden JORC resource from the Wolverine prospect before the end of the year. As part of the development strategy, it is also advancing other prospects in the region – such as Area 5, Gambit and Gambit West - in order to build a significant HRE mineral inventory.

The recent regional exploration program included first pass drilling across a number of targets at Browns Range in northern WA, with more than 5,600 metres of Reverse Circulation (RC) drilling at the Mystique, Banshee, Sabretooth and Cyclops prospects, and 8,400m at the existing Gambit and Area 5 prospects.

The latest results from Gambit have extended HRE mineralisation, and first drill holes at the Gambit West prospect has produced very encouraging results, intersecting high grade mineralisation which remains open in several directions.

The most recent drill results from the Gambit and Gambit West prospects include the following:

Prospect	Hole No.	From(m)	To(m)	Interval (m)	TREO (%)	Dy ₂ O ₃ (ppm)	Y ₂ O ₃ (ppm)
Gambit West	BRGR0065	19	32	13	1.72	1,503	10,109
		Inc. 24	29	5	4.07	3,700	24,872
Gambit West	BRGR0074	10	18	8	3.29	3,096	20,023
		Inc. 11	14	3	7.65	7,266	47,213
Gambit West	BRGR0078	0	32	32	1.73	1,501	9,973
		Inc. 0	5	5	4.36	4,193	27,129
		& 10	13	3	3	5,260	35,969
Gambit West	BRGR0079	41	61	20	2.36	2,127	13,969
		Inc. 48	57	9	4.92	4,524	29,654
Gambit West	BRGR0080	66	82	16	1.08	902	5,945
		Inc. 67	70	3	3.39	3,147	20,491
Gambit	BRGR0004	73	95	22	1.29	1,212	8,172
		Inc. 73	79	6	2.48	2,374	15,802
		& 90	94	4	1.94	1,790	12,151
Gambit	BRGR0031	76	81	5	1.02	1,022	6,021
Gambit	BRGR0037	13	23	10	1.93	1,725	11,656
		Inc. 16	21	5	3.61	3,259	22,045
Gambit	BRGR0041	18	23	5	3.14	2,803	20,141
		Inc. 19	22	3	5.03	4,495	32,346
Gambit	BRGR0044	16	49	33	0.72	700	4,571
		Inc. 16	19	3	1.95	1,898	12,660
		& 43	45	2	1.52	1,540	10,064

NB - Intersections calculated using 0.15% TREO cut-off and maximum of 2m continuous internal dilution. No top cut has been applied. Samples were submitted to Genalysis Laboratory for REE analysis using a FP6/OM Sodium Peroxide Fusion Digest

TREO: Total Rare Earth Oxides – Total of La₂O₃, CeO₂, Pr₆O₁₁, Nd₂O₃, Sm₂O₃, Eu₂O₃, Gd₂O₃, Tb₄O₇, Dy₂O₃, Ho₂O₃, Er₂O₃, Tm₂O₃, Yb₂O₃, Lu₂O₃, Y₂O₃

Northern Minerals Managing Director George Bauk said “the results were highly encouraging for the future growth and development of the Browns Range project.”

“These results are better than anticipated, and support the potential for further significant HRE prospects similar to Wolverine, which can potentially add significant tonnages to our mineral inventory in the region,” Mr Bauk said.

“Gambit West is a particularly exciting deposit with high grades and good widths on the discovery section 493200mE. We still have more drilling to do, but we believe Gambit West has potential to be a similar type and size of deposit to Wolverine, and be part of the start up of our operations at Browns Range in the future.”

“Our immediate priority is to deliver our maiden resource at Wolverine in the next six weeks. However, as part of our pathway to production we have identified a pipeline of prospects at Browns Range such as Gambit and Gambit West, which we will be prioritising and advancing toward a resource status following Wolverine,” Mr Bauk said.

Gambit West

The new zone lies approximately 200 metres west of the current central Gambit prospect. A 500m long target area was identified by geochemical soil sampling, which was followed up with 33 holes as part of a regional drilling program. The geochemical soil anomaly is in an area of residual soil cover and subcrop (Figure 1) and is the western extension of the Gambit central geochemical soil anomaly. Initially three lines were drilled 200m apart and centred on the peak of the soil anomaly (>200ppm TREO). Drilling on the central line intersected significant mineralisation in drillhole BRGR0065 (13m @ 1.72% TREO) which was subsequently followed up with drill lines 25m either side. The last fence drilled (493200E -50m east of BRGR0065) returned the best results with significant widths of high-grade HRE mineralisation, including 32m @ 1.73%, 20m @ 2.36% and 16m @ 1.08% TREO (see Figure 2). Mineralisation has been outlined over a strike length of 75m and remains open along strike and at depth. The next drill line to the east of the drill line 493200E is 150m away, and an XRF soil survey indicates a strong yttrium anomaly continuing to the east for another 60m.

The significant drilling results at Gambit West are as follows (greater than 2m @ 0.15% TREO or equivalent):

Hole Number	From(m)	To(m)	Interval (m)	TREO (%)	Dy ₂ O ₃ (ppm)	Y ₂ O ₃ (ppm)
BRGR0065	11	16	5	0.21	67	436
	19	32	13	1.72	1,503	10,109
	Inc. 24	29	5	4.07	3,700	24,872
BRGR0073	77	79	2	1.74	1,641	10,678
	Inc77	78	1	3.22	3,059	19,874
BRGR0074	10	18	8	3.29	3,096	20,023
	Inc. 11	14	3	7.65	7,266	47,213
BRGR0075	47	49	2	0.60	445	2,933
BRGR0076	11	12	1	0.39	295	1,963
	18	24	6	0.22	125	844
BRGR0077	58	61	3	1.40	1,299	8,438
	Incl. 58	59	1	3.86	3,712	24,044
BRGR0078	0	32	32	1.73	1,501	9,973
	Inc. 0	5	5	4.36	4,193	27,129
	& 10	13	3	6.44	5,260	35,969

Hole Number	From(m)	To(m)	Interval (m)	TREO (%)	Dy ₂ O ₃ (ppm)	Y ₂ O ₃ (ppm)
BRGR0079	7	8	1	0.70	599	4,023
	41	61	20	2.36	2,127	13,969
	Inc. 48	57	9	4.92	4,524	29,654
	63	66	3	0.18	121	859
BRGR0080	62	63	1	0.36	124	834
	66	82	16	1.08	902	5,945
	Inc. 67	70	3	3.39	3,147	20,491

NB – Intersections calculated using a 0.15% TREO cut-off and a maximum of 2m continuous internal dilution. No top cut has been applied. Samples were submitted to Genalysis Laboratory for REE analysis using a FP6/OM Sodium Peroxide Fusion Digest

TREO: Total Rare Earth Oxides – Total of La₂O₃, CeO₂, Pr₆O₁₁, Nd₂O₃, Sm₂O₃, Eu₂O₃, Gd₂O₃, Tb₄O₇, Dy₂O₃, Ho₂O₃, Er₂O₃, Tm₂O₃, Yb₂O₃, Lu₂O₃, Y₂O₃

The new Gambit West area will be a priority target for follow up drilling, which is likely to commence in the first half of 2013 after the northern wet season.

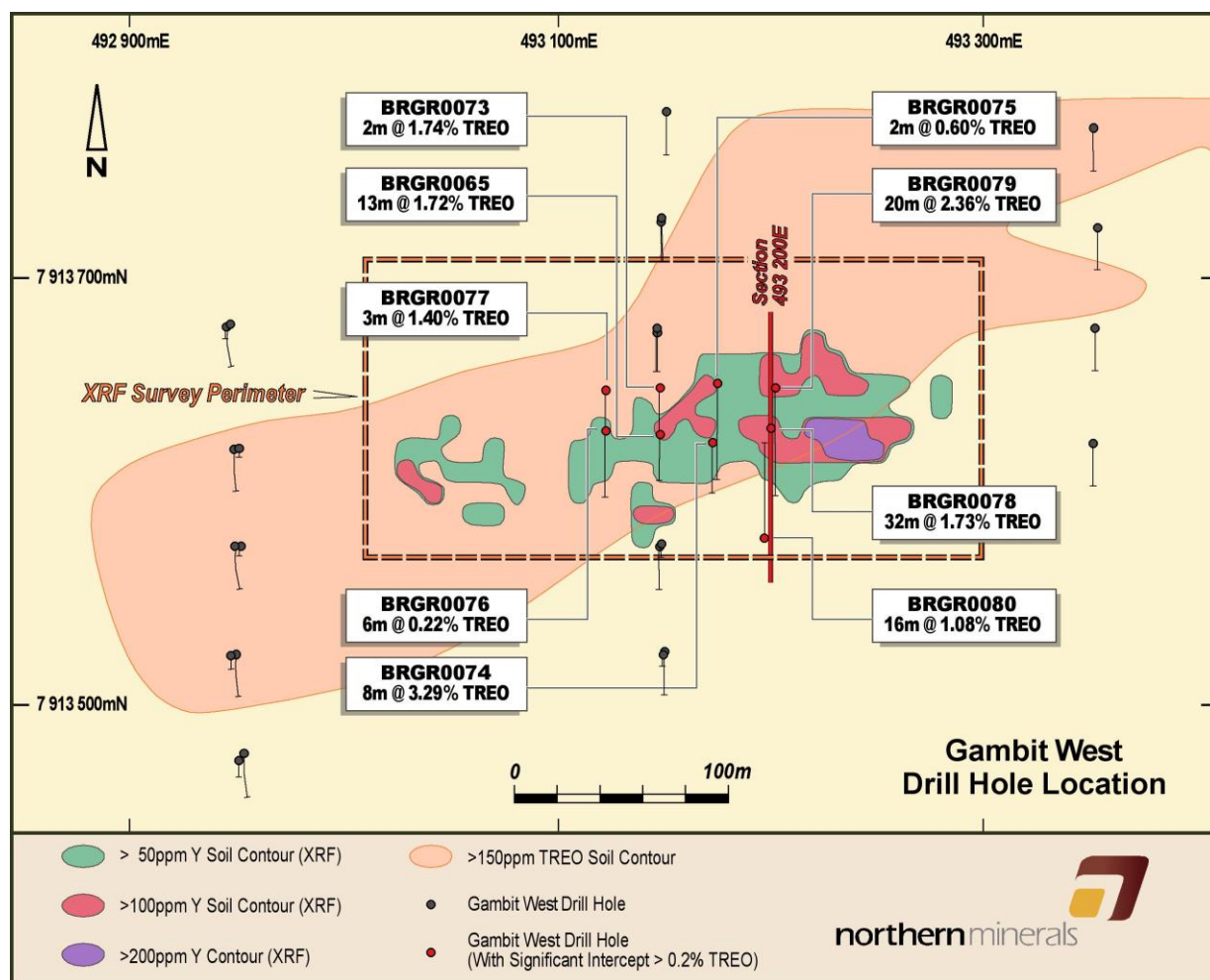


Figure 1: Drill location plan for Gambit West prospect

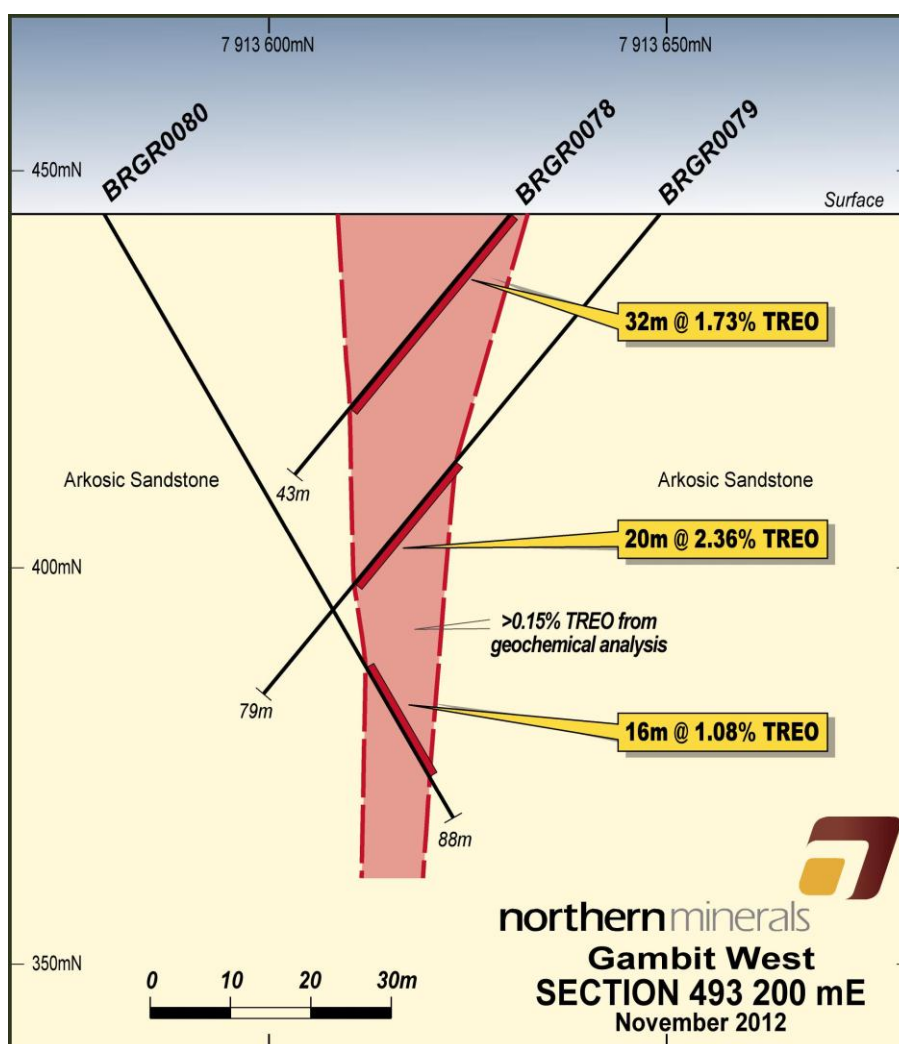


Figure 2: Gambit West – Cross Section 493200E (looking west)

Gambit

Results from follow-up drilling at the Gambit prospect have extended the mineralisation intersected in the 2011 RC drilling program and the diamond drilling completed earlier in 2012. RC drilling completed during 2012 comprised 50 drill holes drilled across the 700m strike length of the Gambit prospect (see Figure 3). High-grade HRE mineralisation has been intersected in several holes with results of up to 22m @ 1.29% TREO, 10m @ 1.93% and 33m @ 0.72% TREO.

The significant drilling results from the Gambit central area comprise the following (greater than 2m @ 0.15% TREO or equivalent):

Hole Number	From(m)	To(m)	Interval (m)	TREO (%)	Dy ₂ O ₃ (ppm)	Y ₂ O ₃ (ppm)
BRGR0001	71	72	1	0.40	309	2,142
BRGR0002	24	25	1	0.35	236	1,580
	73	75	2	1.44	1,335	9,318
	96	97	1	0.59	538	3,720
BRGR0004	73	95	22	1.29	1,212	8,172
	Incl. 73	79	6	2.48	2,374	15,802
	& 90	94	4	1.94	1,790	12,151
BRGR0006	48	49	1	0.64	558	3,708
	77	78	1	0.65	623	3,981

Hole Number	From(m)	To(m)	Interval (m)	TREO (%)	Dy ₂ O ₃ (ppm)	Y ₂ O ₃ (ppm)
BRGR0007	26	30	4	0.57	543	3,362
	57	61	4	1.12	1,065	6,785
	Incl. 59	60	1	3.15	3,018	19,298
BRGR0017	61	62	1	0.76	680	4,597
BRGR0021	38	45	7	0.69	613	3,963
BRGR0022	1	3	2	0.16	55	273
BRGR0023	0	6	6	0.82	769	5,233
	Incl. 2	4	2	1.64	1,537	10,542
	12	13	1	1.36	1,251	8,538
BRGR0024	66	67	1	0.39	286	1,920
	78	80	2	0.68	255	1,715
BRGR0025	55	59	4	0.54	470	2,982
BRGR0030	55	56	1	3.87	3,902	22,926
	70	72	2	0.45	442	2,429
BRGR0031	9	10	1	0.32	196	1,323
	17	18	1	0.51	484	3,045
	38	39	1	0.49	410	2,702
	43	51	8	0.47	414	2,735
	61	65	4	0.67	594	3,740
	76	81	5	1.02	1,022	6,021
BRGR0033	31	34	3	1.00	953	6,158
	58	60	2	0.21	201	1,265
	69	70	1	0.47	461	2,869
	77	78	1	0.66	650	4,193
BRGR0034	24	25	1	0.62	557	3,585
	31	37	6	0.55	511	3,450
	41	43	2	0.30	227	1,530
	71	74	3	0.19	132	890
BRGR0037	13	23	10	1.93	1,725	11,656
	Incl. 16	21	5	3.61	3,259	22,045
	66	67	1	0.30	268	1,710
BRGR0038	39	40	1	0.35	311	2,135
BRGR0039	17	21	4	0.22	187	1,289
	28	33	5	0.22	193	1,318
	36	38	2	0.88	809	5,575
BRGR0040	75	81	6	0.33	258	1,829
BRGR0041	18	23	5	3.14	2,803	20,141
	Incl. 19	22	3	5.03	4,495	32,346
	37	42	5	0.20	167	1,179
BRGR0042	64	68	4	0.42	337	2,295
	72	73	1	1.22	1,104	7,648
	76	79	3	0.72	668	4,619
BRGR0043	57	60	3	0.50	453	2,981
BRGR0044	3	8	5	0.30	273	1,841
	16	49	33	0.72	700	4,571
	Incl. 16	19	3	1.95	1,898	12,660
	& 43	45	2	1.52	1,540	10,064
BRGR0045	10	11	1	0.41	354	2,427
BRGR0046	5	7	2	2.44	2,269	15,331
	Incl. 6	7	1	4.37	4,071	27,518
BRGR0081	6	8	2	0.20	191	1,004
	51	52	1	0.30	155	837

NB - Intersections calculated using a 0.15% TREO cut-off and a maximum of 2m continuous internal dilution. No top cut has been applied. Samples were submitted to Genalysis Laboratory for REE analysis using a FP6/OM Sodium Peroxide Fusion Digest

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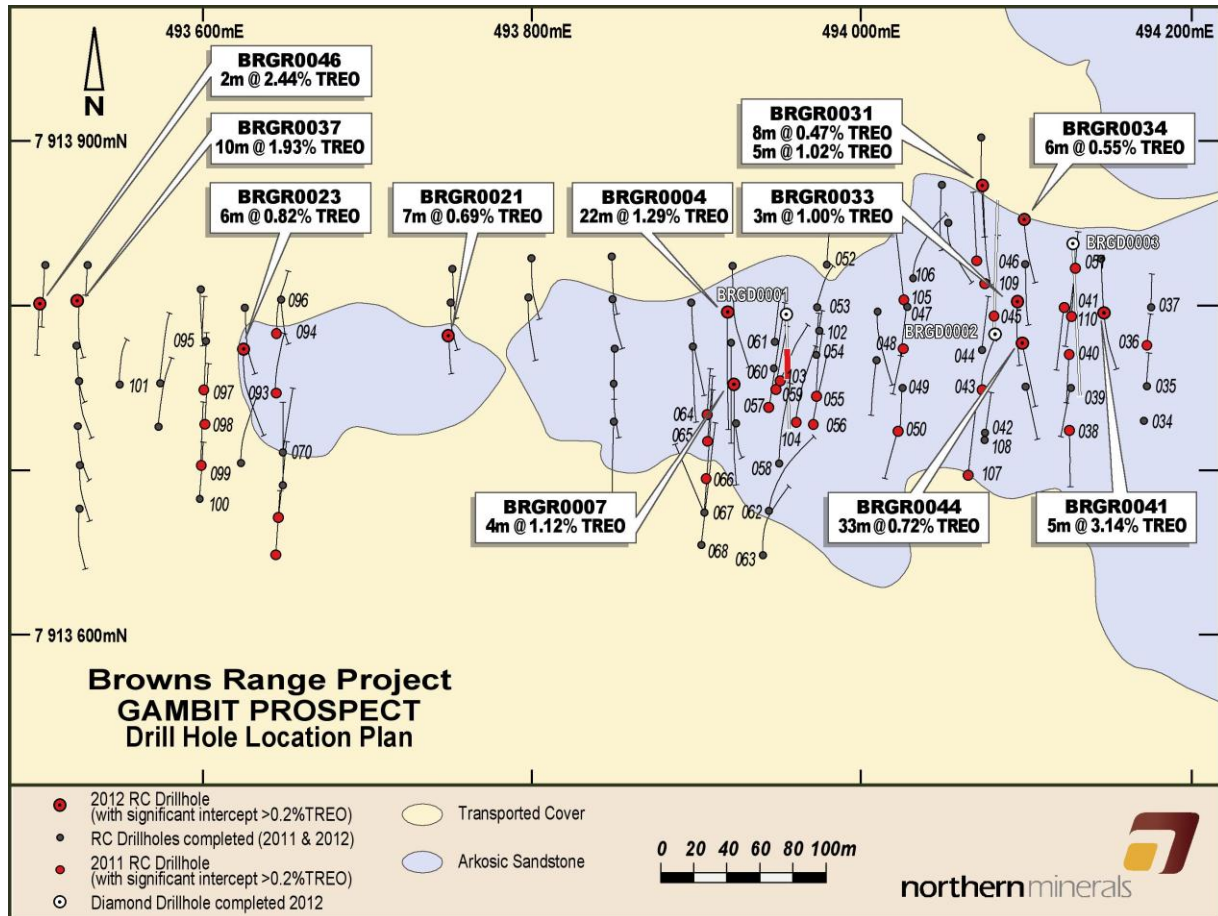


Figure 3 – Gambit Prospect – Drill hole location plan showing most significant intercepts from 2012 RC Drilling

Results from the Gambit central zone continue to indicate mineralisation occurs as a series of steeply plunging shoots within a structurally complex zone. Mineralisation is associated with an approximately east-west trending fault breccia zone, complicated by a series of cross-cutting structures including some flat-lying structures. The Company is undertaking 3D-modelling and interpretation of the geology and mineralisation in order to determine continuity of mineralisation which will lead to a resource estimate. Further infill and step-out drilling is likely prior to the final determination of a resource estimate at Gambit central.

Cyclops

At the new Cyclops prospect (west of the Mystique and Banshee prospects, Figure 4), seven RC drill holes for 378m were completed as part of a first pass drilling program. Two north-south oriented drill lines were completed 50m apart to test a geochemical soil anomaly and an area of outcropping xenotime mineralisation. The results have returned encouraging intercepts, with significant grades of HRE such as 16m @ 0.60% TREO from 5m including 3m @ 1.70% TREO from 15m. Mineralisation exhibits a similar dominance of yttrium and dysprosium that is evident across all Browns Range prospects. Follow-up drilling is proposed for the first half of 2013 at the end of the northern wet season.

The significant drilling results are as follows (greater than 2m @ 0.15% TREO or equivalent):

Hole Number	From(m)	To(m)	Interval (m)	TREO (%)	Dy ₂ O ₃ (ppm)	Y ₂ O ₃ (ppm)
BRCR0001	0	15	15	0.38	287	2012
BRCR0002	5	21	16	0.60	344	2442
	Inc. 15	18	3	1.70	1208	8643
BRCR0003	13	16	3	0.69	579	3908
BRCR0004	38	41	3	0.43	175	1156
BRCR0005	9	11	2	0.46	121	824
	48	50	2	0.66	562	3799
BRCR0006	11	14	3	0.22	81	576
	47	52	5	0.74	601	4158
	55	61	6	0.22	152	1101
BRCR007	49	50	1	0.64	441	3016

NB - Intersections calculated using a 0.15% TREO cut-off and a maximum of 2m continuous internal dilution. No top cut has been applied. Samples were submitted to Genalysis Laboratory for REE analysis using a FP6/OM Sodium Peroxide Fusion Digest
TREO: Total Rare Earth Oxides – Total of La₂O₃, CeO₂, Pr₆O₁₁, Nd₂O₃, Sm₂O₃, Eu₂O₃, Gd₂O₃, Tb₄O₇, Dy₂O₃, Ho₂O₃, Er₂O₃, Tm₂O₃, Yb₂O₃, Lu₂O₃, Y₂O₃

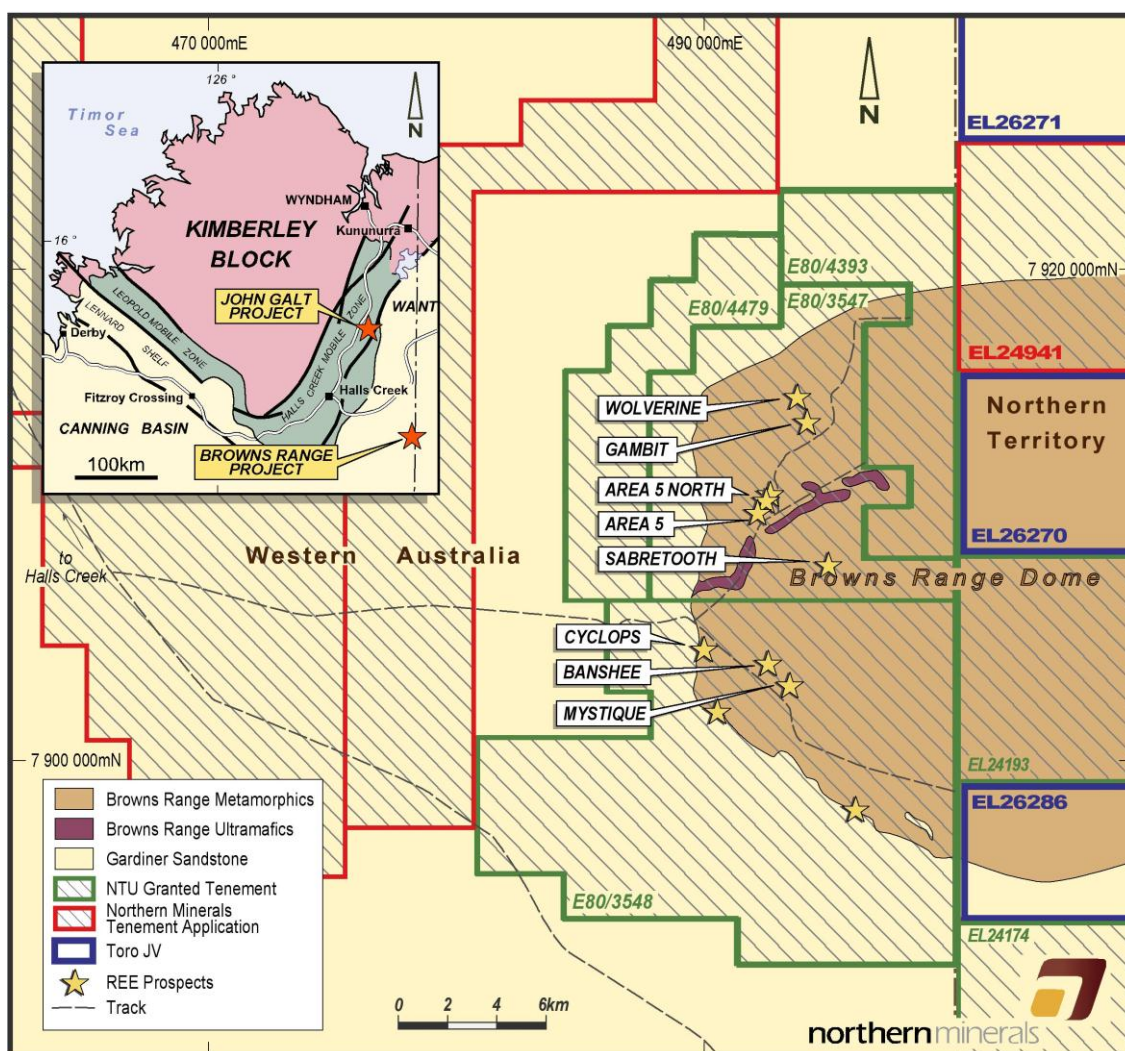


Figure 4 – Browns Range Project – Prospect locations

Table 1 – Browns Range Project – 2012 Gambit, Gambit West and Cyclops prospects RC Drillhole Collar table

Hole Number	Easting	Northing	Drill Type	Mag Azimuth	Inclination	Total Depth	RL
BRCR0001	489784	7904583	RC	176.5	-60	50	431
BRCR0002	489785	7904605	RC	176.5	-60	50	431
BRCR0003	489785	7904630	RC	176.5	-60	50	431
BRCR0004	489785	7904655	RC	176.5	-60	50	431
BRCR0005	489734	7904584	RC	176.5	-60	61	432
BRCR0006	489735	7904606	RC	176.5	-60	67	432
BRCR0007	489736	7904629	RC	176.5	-60	50	432
BRGR0001	493950	7913827	RC	180	-60	154	459
BRGR0002	493921	7913778	RC	180	-60	124	462
BRGR0003	493922	7913824	RC	180	-60	148	457
BRGR0004	493919	7913796	RC	180	-60	130	460
BRGR0005	493897	7913802	RC	178	-60	130	457
BRGR0006	493898	7913775	RC	180	-60	100	461
BRGR0007	493923	7913752	RC	180	-60	100	465
BRGR0008	493924	7913728	RC	180	-60	88	461
BRGR0009	493849	7913827	RC	180	-60	64	454
BRGR0010	493849	7913804	RC	180	-60	64	455
BRGR0011	493850	7913774	RC	180	-60	64	462
BRGR0012	493849	7913752	RC	180	-60	64	462
BRGR0013	493850	7913729	RC	180	-60	64	459
BRGR0014	493849	7913701	RC	180	-60	64	454
BRGR0015	493800	7913829	RC	180	-60	76	453
BRGR0016	493797	7913805	RC	180	-60	76	453
BRGR0017	493799	7913758	RC	182	-60	76	456
BRGR0018	493799	7913700	RC	182	-60	64	452
BRGR0019	493752	7913822	RC	182	-60	64	452
BRGR0020	493750	7913802	RC	182	-60	64	453
BRGR0021	493750	7913782	RC	182	-60	64	454
BRGR0022	493625	7913799	RC	180	-60	94	451
BRGR0023	493625	7913774	RC	180	-60	112	451
BRGR0024	493623	7913703	RC	0	-60	94	450
BRGR0025	493601	7913782	RC	180	-60	100	451
BRGR0026	493599	7913810	RC	180	-60	100	450
BRGR0027	493574	7913753	RC	0	-60	88	450
BRGR0028	493573	7913726	RC	0	-60	88	450
BRGR0029	494049	7913874	RC	180	-60	88	459
BRGR0030	494073	7913902	RC	180	-60	118	457
BRGR0031	494075	7913873	RC	180	-60	106	460
BRGR0032	494100	7913825	RC	180	-60	73	471
BRGR0033	494095	7913803	RC	180	-60	88	472
BRGR0034	494099	7913852	RC	180	-60	79	464
BRGR0035	493524	7913754	RC	180	-60	79	449
BRGR0036	493523	7913776	RC	180	-60	73	450
BRGR0037	493525	7913803	RC	180	-60	73	449
BRGR0038	493529	7913825	RC	180	-60	54	450

Hole Number	Easting	Northing	Drill Type	Mag Azimuth	Inclination	Total Depth	RL
BRGR0039	494009	7913767	RC	180	-60	73	469
BRGR0040	494010	7913796	RC	180	-60	91	466
BRGR0041	494148	7913796	RC	180	-60	73	474
BRGR0042	494052	7913850	RC	180	-60	88	466
BRGR0043	494146	7913829	RC	180	-60	73	465
BRGR0044	494099	7913777	RC	180	-60	79	473
BRGR0045	494100	7913752	RC	180	-60	73	473
BRGR0046	493500	7913802	RC	180	-60	64	449
BRGR0047	493503	7913825	RC	180	-60	88	449
BRGR0048	492951	7913474	RC	176.5	-60	15	442
BRGR0049	492947	7913524	RC	176.5	-60	12	442
BRGR0050	492951	7913575	RC	176.5	-60	9	442
BRGR0051	492950	7913621	RC	176.5	-60	6	443
BRGR0052	492946	7913679	RC	176.5	-60	6	443
BRGR0053	493150	7913525	RC	176.5	-60	12	444
BRGR0054	493148	7913576	RC	176.5	-60	12	444
BRGR0055	493149	7913627	RC	176.5	-60	6	444
BRGR0056	493147	7913676	RC	176.5	-60	6	444
BRGR0057	493149	7913728	RC	176.5	-60	6	445
BRGR0058	492953	7913478	RC	176.5	-60	40	453
BRGR0059	492949	7913525	RC	176.5	-60	40	442
BRGR0060	492949	7913575	RC	176.5	-60	40	442
BRGR0061	492949	7913620	RC	176.5	-60	40	443
BRGR0062	492945	7913678	RC	176.5	-60	40	443
BRGR0063	493150	7913526	RC	176.5	-60	40	444
BRGR0064	493148	7913575	RC	176.5	-60	40	444
BRGR0065	493148	7913627	RC	176.5	-60	40	444
BRGR0066	493147	7913677	RC	176.5	-60	40	444
BRGR0067	493149	7913729	RC	176.5	-60	40	445
BRGR0068	493151	7913779	RC	176.5	-60	40	445
BRGR0069	493351	7913624	RC	176.5	-60	40	446
BRGR0070	493352	7913678	RC	176.5	-60	40	447
BRGR0071	493354	7913725	RC	176.5	-60	40	447
BRGR0072	493351	7913771	RC	176.5	-60	40	447
BRGR0073	493148	7913650	RC	176.5	-60	88	444
BRGR0074	493173	7913624	RC	176.5	-50	37	444
BRGR0075	493175	7913651	RC	176.5	-50	70	445
BRGR0076	493122	7913630	RC	176.5	-50	49	444
BRGR0077	493123	7913648	RC	176.5	-50	73	444
BRGR0078	493200	7913631	RC	176.5	-50	43	445
BRGR0079	493202	7913650	RC	176.5	-50	79	445
BRGR0080	493198	7913579	RC	356.5	-60	88	445
BRGR0081	493524	7913727	RC	176.5	-60	73	449
BRGR0082	493524	7913703	RC	176.5	-60	73	449
BRGR0083	493525	7913676	RC	176.5	-60	73	449

Coordinates are based on GDA94 Zone 52 datum

Competent Persons Declaration:

The information in this report accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Mineral Resources and Ore Reserves). It is compiled by Mr R Wilson, an employee of the Company who is a Member of The Australasian Institute of Mining and Metallurgy with the requisite experience in the field of activity in which he is reporting. Mr Wilson has sufficient experience which is relevant to the style of mineralisation and the 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". Mr Wilson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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About Northern Minerals

Northern Minerals Limited (ASX: NTU) is focused on development of rare earth elements (REE), with a large and prospective landholding in Western Australia and the Northern Territory.

The Company's flagship project is Browns Range, where it has a number of prospects with high value, heavy rare earth elements (HREE), in xenotime mineralisation. In particular, the mineralisation includes high levels of dysprosium and yttrium, which are in short supply globally. Following outstanding results from its drilling and metallurgical programs, the Company is aiming to deliver its maiden JORC resource by the end of 2012, and advance Browns Range toward production, using a relatively simple and low cost processing flow sheet to produce a high grade concentrate. Northern Minerals also has a HREE exploration program underway at the geologically similar John Galt project.

Northern Minerals also holds a number of non-REE assets, including the large and prospective Gardiner-Tanami project and Gardiner Range JV project on the WA-NT border. The projects are located within the world-class Tanami-Arunta gold region and have a number of early stage gold targets. Northern Minerals is currently pursuing divestment options for these assets. For more information, visit www.northernminerals.com.au

