
QUARTERLY REPORT TO 31 December 2014

QUARTER OVERVIEW

- Voluntary reduction in Managing Director's remuneration
- Annual General Meeting
- Undertook Project due diligence
- Appointment of Mr Garry Connell to the Board

PROJECT UPDATES - Groote Eylandt Project

Following conclusion and settlement with the Northern Territory Government over our granted Exploration Licences Northern Manganese Ltd (NTM) is left with two Island tenements that are both the subject of Veto.

No progress can be made on these tenements until the Veto is redressed by the Traditional Owners in the last quarter of 2015.

Blue Mud Bay

During the wet season no contact has been made with the Community of Blue Mud Bay to progress the consent to negotiate meetings.

This process will be reinitiated late in next quarter depending on the Wet Seasons intensity and access to the community.

Offshore Commonwealth Waters Project

These tenements are being reviewed by the Joint Committee between the Northern Territory Government and the Commonwealth Government.

No further advice has been received from the committee during the quarter.

Mining Tenements Held as at 31 December 2014

Tenement	Status	Tenement Area (km ²)
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Groote Eylandt, Northern Territory (Northern Manganese 100%)		
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
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

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 2014 Quarter

Acquired:

Nil

Disposed:

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements during the December 2014 Quarter

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements Acquired or Disposed of during the December 2014 Quarter

Nil

Subsequent Events

The Board excluding the Chairman (who acknowledged a material personal interest) reviewed a project brought to NTM by Mr Daw's via his private family company on the 9th December 2014. In the interests of good corporate governance the Company formed an Independent Board Committee (IBC) to review this project and subsequent events that have followed.

The IBC undertook due diligence of the project within the limited time available, however prior to formally responding to the proposal the Company was presented with a section 249D Notice to remove the existing Board excluding Mr Daws. In response to the notice a meeting of Shareholders will be held in early March 2015.

Corporate

The Company is constantly reviewing its funding arrangements and capital raising initiatives whilst actively pursuing new opportunities and projects.

Managing Director

Mr Jones approached the Board and recommended that his remuneration structure be reduced until such time that the Company secures the Blue Mud Bay project to a granted status and/or the securing of a new project(s) for the Company. He advised that the reduction would be temporary and that all other terms and conditions in his existing contract are to remain.

The Board accepted Mr Jones recommendation and in doing so determined that the remuneration structure for the Managing Director role should be rebalanced to better align with the Company's current position, strategic goals, and market expectations.

The Company agreed with Mr Jones to reduce the total package to \$180,000 inclusive of superannuation with all other terms and conditions in the existing Executive Services Contract to remain. The reduced remuneration package took effect on 1 November 2014.

Changes to Board

The Company appointed Mr Garry Connell to the board effective immediately on 12 January 2015. Mr Connell is an experienced and well-respected businessman in the exploration, mining and earthmoving sectors and brings with him considerable experience and skills to the board in evaluating future potential projects and opportunities. Garry is a hands on business person and is well known for his can do approach to business and amongst other things being involved as a joint venture partner in gold mining operations.

Mr Connell has acted as a director of two of public companies and brings knowledge, balanced decision making and practical skills in company and project management. He has also been involved in due diligence investigations of many organisation and projects.

Mr Connell is also the largest shareholder in the Company.

Costs for the Quarter

Directors' fees, Salary and Super accounted for \$108,000 with the reduction in the Managing Directors' remuneration since November having a positive effect on the Company's bottom line. The balance of administration costs comprised compliance costs of \$65,000 and general administration costs of \$26,000.

Your Board is committed to keep costs to a minimum whilst we continue to explore value adding projects for acquisition.

Shares

Company	Number of Shares Held	Share Price 31 December 2014	Value 31 December 2014	Comments
Zenith (ZNC)	500,000	\$0.056	\$28,000	
Spitfire (SPI)	6,545,531	\$0.011	\$72,000	
Caeneus (CAD)	10,000,000	\$0.009	\$90,000	



Lloyd Jones
Managing Director