



CANCELLATION OF STEEL MINERALS LIMITED IPO

The Board of Northern Mining ("NMI") advises that the proposed initial public offering (IPO) of Steel Minerals Limited ("Steelmin") has been cancelled.

On the 23rd December 2010, NMI announced its intention to incorporate two of its non gold assets; its 90% interest in the Szklary Nickel Project in Poland and its 100% interest in the Camel Manganese Project in the Northern Territory, into a new vehicle to be known as Steel Minerals Limited.

In the June 2011 Quarterly Report, NMI advised the IPO of securities in Steelmin was under review due to prevailing difficult market conditions. As a result of these difficult market conditions, the initial public offering of securities in Steelmin has been cancelled.

The shares in Steelmin held by NMI have been sold to a UK unlisted vehicle owned by private equity interests for the nominal figure of A\$10.00. A consideration of the sale included NMI retaining the Szklary Nickel Project and the Camel Manganese Project.

In addition, NMI has been released from any obligations or commitments in relation to the A\$2.5 million in Convertible Notes issued by Steelmin.

UPCOMING EXPLORATION FOR NORTHERN MINING

NMI will continue its immediate exploration focus on the potential of the Blair North and Kanowna Lights Prospects in the East Kalgoorlie Gold Project in Western Australia. Reverse circulation drilling programmes are currently being planned to commence before the end of September at both prospects.

At the Camel Manganese Prospect in the Northern Territory, recent field reconnaissance work has highlighted the potential for additional manganiferous layers under shallow cover in close vicinity to the areas of outcrop where rock chip values returned consistently elevated Mn results up to 15.7% Mn at Area 1 and up to 45.6% Mn at Area 2 (see ASX Announcements 2 September 2010 and 22 September 2010). Currently, Sacred Site Clearances are being sought over these areas and once approvals have been received, NMI proposes to undertake a small reconnaissance drill program in the March Quarter 2012, to evaluate the thickness and grade of these layers at shallow depths.

The Company will seek to divest the Szklary Nickel Project in Poland.

Greg Wilson
Chief Executive Officer

Competent Person Statements

Information in this report that relates to Exploration Results is based on information compiled by Mr Greg Wilson, full time employee of Northern Mining Limited, who is a Member of The Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the style of mineralisation 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". Mr Wilson consents to the inclusion in the report of the matters based on the information in the form and context in which they appear.