Northern Uranium Limited
ABN 61 119 966 353
Level 2, 123A Colin Street
West Perth WA 6005
PO Box 669
West Perth WA 6872
Telephone (+61 8) **9481 2344**
Facsimile (+61 8) 9481 3031
Email info@northernuranium.com.au
www.northernuranium.com.au

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ASX RELEASE

NORTHERN URANIUM IN STRATEGIC ALLIANCE WITH AREVA

Northern Uranium Limited ("**Northern**" ASX: NTU) is pleased to announce the formation of a strategic alliance with French nuclear group Areva NC, via its wholly owned subsidiaries, Cogema Australia Pty Ltd and Afmeco Mining and Exploration Pty Ltd (together "**Areva**").

Key Highlights of the Strategic Alliance are:

- placement of 6 million new ordinary shares in the issued capital of Northern to Areva at 80¢ per share, providing Northern with additional funding of $4.8m.
- binding strategic alliance agreement between Northern and Areva where Areva will:
  - become operator of uranium exploration and development of the Gardiner-Tanami Super Project (including Denison Range) ("**Gardiner-Tanami**");
  - provide requested technical services to support Northern's exploration efforts in Australia;
  - be granted uranium marketing and offtake rights to all uranium ultimately mined by Northern which is not otherwise the subject of third party ownership interests; and
  - be invited to appoint a nominee to Northern's Board of Directors.

Areva is the world leader in nuclear power and the only company to cover all industrial activities in this field. With manufacturing facilities in 40 countries and a sales network in more than 100, Areva offers customers reliable technological solutions for CO_2-free power generation and electricity transmission and distribution.

Commenting on the Strategic Alliance, Kevin Schultz, the Executive Chairman of Northern, stated that he was very pleased to have negotiated an agreement with Areva, which offers technical expertise, a global sales network and, in particular, a successful uranium exploration and mining record in Canada's Athabasca Basin. "We see considerable similarities between the geology of the Athabasca Basin and Northern's Gardiner-Tanami in the Northern Territory and Western Australia", he said.

"I am particularly looking forward to working with Mr Philippe Portella, Managing Director of Areva's Australian operating arm, Afmeco Mining and Exploration. Mr Portella was formerly Uranium Chief Geologist in Areva's Mining Business Unit, and has great depth of experience in the Athabasca Basin and in uranium exploration generally."

Mr Portella, who is expected to be Areva's nominee to the Board of Northern, commented "The agreement reached today provides the framework for a strong and fruitful relationship between Areva and Northern over the coming years."

"We believe a combination of Areva's wide ranging expertise in the uranium field and Northern's experienced management team will allow both parties to benefit from Northern's highly prospective exploration tenements. In addition, Areva is pleased to confirm its commitment to Northern through the acquisition of a strategic shareholding in the Company, which also provides Northern with fresh capital to fund expanded exploration of the Gardiner-Tanami Super Project", he said.

Placement

Areva will subscribe for 6m ordinary shares at 80¢/share ("**New Shares**"). Proceeds of this raising ($4.8m) will be applied toward expanded exploration of the Gardiner-Tanami Super Project and working capital. Following the placement, Northern will have cash reserves of approximately $7.7m.

As a result of the proposed placement Areva will become the third largest shareholder in Northern with 18.48% of the Northern's issued capital. Washington Resources Limited ("**Washington**" ASX: WRL) and Polaris Metals NL ("**Polaris**" ASX: POL) will each hold 21.74%.

The placement to Areva is being made within Northern's placement capacity under ASX Listing Rule 7.1 and does not require shareholder approval.

Completion under the share placement is conditional on receipt of FIRB approval.

Options Entitlement Issue

Pursuant to previous disclosures provided by Northern, the Board has resolved that within six months of listing Northern will, subject to compliance with the Corporations Act and ASX Listing Rules, undertake a non-renounceable rights issue of options on the basis of one option for every two shares held ("**Proposed Options Rights Issue**").

The options will be issued at an issue price of 1 cent ($0.01) per option. These options will expire on 31 December 2009 and be exercisable at 25 cents ($0.25) per option.

Details of the Proposed Options Rights Issue are set out in Section 10.3 of Northern's IPO Prospectus.

Northern further advises that it intends to lodge a prospectus for the Proposed Options Rights Issue shortly. The record date for acceptances of the offer will be set according to ASX Listing Rules requirements and in any event no earlier than 7 days after announcement of the entitlement offer. Investors should note that only shareholders registered on the share register of the Company at the record date will be entitled to participate in the proposed non-renounceable rights issue of options.

Areva has advised Northern that it is its present intention to take up its full entitlement to the proposed options issue. The New Shares issued to Areva will be entitled to participate in the Proposed Options Rights Issue.

Areva – Options Acquisition

Areva has advised Northern that it has also entered into binding agreements with Washington and Polaris to acquire some of their respective options when allotted under the Proposed Options Rights Issue. Subject to Northern issuing the options, Washington and Polaris have agreed to subscribe for their respective entitlements and have agreed, subject to completion of the share placement to Areva, to sell respectively 4 million and 1 million options to Areva at 45¢ per option.

Strategic Alliance

Northern and Areva have entered into a broad ranging strategic alliance which is designed to provide Northern with an extensive range of services covering most facets of the uranium production cycle from exploration, through feasibility, mining and marketing of uranium products. These services will be provided on normal commercial terms.

The immediate benefit of the strategic alliance will be the appointment of Areva as Operator of Gardiner-Tanami. A review committee comprising equal numbers of both Areva and Northern staff will be formed to assist Northern with the development of exploration strategies, programs and budgets across its entire exploration portfolio.

In addition, as part consideration for Areva entering into the strategic alliance, Northern has granted Areva:

- a right to participate pro-rata in all future securities issues made by Northern, for so long as Areva holds at least 15% of the issued share capital of Northern, subject to regulatory compliance;
- a right of first refusal over Northern's Gardiner-Tanami tenement interests in the event that Northern elects to divest any of its interest; and
- exclusive marketing rights to any uranium production ultimately attributable to Northern (on normal commercial terms).

The strategic alliance is subject to the placement of the New Shares occurring.

In summarising the strategic alliance and capital injection Kevin Schultz commented; "Northern's Board is delighted that it has been able to attract such a well credentialed partner as Areva to not only assist with our exploration effort but also become a substantial shareholder in our company".

"Our fortunes in this alliance are aligned towards our long term goal of finding a world class uranium deposit in the Gardiner-Tanami province or elsewhere. The injection of additional funding will complement our existing cash reserves, providing us with a healthy cash balance. Northern is now in a strong position to rapidly advance its exploration activities in accordance with this goal."

INVESTOR INFORMATION

Principal Office:
2nd Floor, 123A Colin Street
West Perth WA 6005
PO Box 669
West Perth WA 6872

Tel: 08 94812344
Fax: 08 94813031
Email: info@northernuranium.com.au
Web: www.northernuranium.com.au

Capital Structure:
Share Price (NTU): $0.70c
Issued Shares: 40m
Market Cap: $28m

Company Management:
Kevin Schultz – Executive Chairman
Adrian Griffin - Non executive Director
Bob Hair - Non executive Director
Colin McCavana - Non executive Director
Robin Wilson – General Manager

For and on behalf of
NORTHERN URANIUM LIMITED

Kevin Schultz
Executive Chairman

Competent Person 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 K Schultz, an employee of the Company who is a Fellow of The Australasian Institute of Mining and Metallurgy with the requisite experience in the field of activity in which he is reporting.