NORTHERN MINERALS LIMITED

ABN 61 119 966 353

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2012

NORTHERN MINERALS LIMITED

DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2012.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire half-year unless otherwise stated.

Kevin Schultz – Non-executive Chairman

George Bauk – Managing Director/CEO

Adrian Christopher Griffin - Non executive Director

Colin James McCavana - Non executive Director

Dudley John Kingsnorth - Non executive Director (resigned 28 November 2012)

RESULTS OF OPERATIONS

The net loss after tax for the half-year ended 31 December 2012 was $11,382,724 (2011: Loss of $5,689,660). The major items comprising the net loss for the half-year ended 31 December 2012 were exploration expenditure of $9,894,930 (2011: $4,380,702) and administration and corporate expenses totaling $2,794,807 (2011: $1,510,189).

REVIEW OF OPERATIONS

A summary of the Company's operations over the last six months is as follows:

Browns Range Heavy Rare Earths Project

- Significant drilling success at Browns Range, with 26,450 m of diamond and RC drilling completed.
- Diamond drilling extends high grade Heavy Rare Earths ('HRE') mineralisation at depth to 230 vertical metres and confirms widths and grades of HRE mineralisation.
- New HRE discovery at Gambit West as indicated by drill results in October and a new zone of HRE's, with drill results including 32m @ 1.73% Total Rare Earth Oxides ('TREO') (incl. 5m @ 4.36% TREO) and 20m @ 2.36% TREO (incl. 9m @ 4.92% TREO).
- Release of maiden JORC compliant resource at Wolverine - 1.44Mt @ 0.73% TREO comprising 10,500t TREO.
- Significant new intersections at depth at Wolverine – extending mineralisation to vertical depths of 250m and remaining open – which will be a target of further drilling in 2013.
- Mineralisation extended at Area 5 prospect with assay results of up to 11m @ 1.15% TREO from 11m and 7m @ 3.83% TREO from 119m.
- Drill results from Browns Range continue to build a pipeline of potential prospects, with first pass drilling at Mystique, Banshee and Cyclops all confirming HRE mineralisation.
- Ongoing metallurgical test work indicates suitability for Browns Range product to produce a high purity mixed rare earth oxide.

NORTHERN MINERALS LIMITED

DIRECTORS' REPORT

Corporate

- Expanded regional presence, with almost 5,000km^2 of new tenements granted in the Northern Territory within the Browns Range Dome and Tanami region – including established HRE targets.
- Additional A$1.2 million raised through exercise and underwriting of options.
- Agreement to end alliance with Areva facilitates divestment of non-Rare Earth Elements (REE) assets.
- Commenced divestment process of non-REE assets, with the Gardiner-Tanami gold project.
- Memorandum of Understanding (MOU) for off-take arrangement signed with a global leader in mining and materials – could account for sales of up to 1,500 tonnes of TREO per annum from Browns Range.
- Additional funding secured with $5 million raised through a share placement to further develop Browns Range ($3 million of which has been received during the half year).

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is attached to the Independent Review Report and forms part of the Directors' Report for the half-year ended 31 December 2012.

SUBSEQUENT EVENTS

- On 14th January 2013 the Company issued 10,000,000 ordinary shares at 20 cents, being the settlement of a deferred placement announced on 9 November 2012.
- On 1st February 2013 the Company announced the following:-
    1. The sale of a 16% stake in the Browns Range project to Australia Conglin International Investment Group Pty Ltd to raise $26 million, with an off take agreement for an additional 20% of Browns Range production on commercial terms. This transaction will be subject to shareholder approval.
    2. The sale of the Northern Minerals Gardiner-Tanami gold assets to Australia Conglin International Investment Group Pty Ltd to raise an initial $2 million. This transaction will be subject to shareholder approval.
    3. A placement of 18,800,000 shares to sophisticated investors at 20c to raise $3.76 million.
    4. Plans to undertake a non-renounceable rights issue which will be fully underwritten by Australia Conglin Investment Group, subject to completing documentation. The rights issue will consist of:-
        - One new share for every two shares held at a price of 20 cents per new share; and
        - One option for every two new Shares issued as part of the rights issue with an option exercise price of 30 cents and a term of two years.
- On 22nd February 2013 the Company issued 18,800,000 ordinary shares at 20 cents raising $3.76 million.
- On 25th February 2013 the Company announced a rights issue for 133,180,226 ordinary shares at 20 cents raising $26,636,045 as well as 66,590,113 listed options with an exercise price of $0.30, expiring on 15th March 2015.
- On 28th February 2013 Simon Storm resigned as joint company secretary.

No other matter or circumstance has arisen since the end of the half year that has significantly affected or may significantly affect the Company's operations, the results of those operations, or the state of affairs of the Company in future financial years.

Signed in accordance with a resolution of the directors.

George Bauk
Director

Perth, Western Australia

13 March 2013

NORTHERN MINERALS LIMITED

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Note	Consolidated	
		Half Year 31-Dec-12	Half Year 31-Dec-11
Interest		**119,736**	151,231
Profit on sale of tenements		**900,000**	50,000
R & D Refund		**287,277**	-
TOTAL REVENUE		**1,307,013**	201,231
EXPENSES			
Corporate			
Administration		**280,028**	223,019
Depreciation expense		**229,365**	80,405
Equity based payments		**643,253**	225,753
Legal and professional		**390,289**	258,022
Occupancy		**175,265**	71,395
Remuneration		**981,989**	560,648
Shareholders		**94,618**	90,947
Total Corporate		**2,794,807**	1,510,189
Exploration			
Consultants and contractors		**1,205,942**	746,234
Drilling		**2,475,119**	1,196,608
Field costs		**1,846,123**	913,342
Geophysical surveys		**101,520**	8,365
Native title and heritage		**496,746**	216,711
Remuneration		**838,214**	551,517
Tenement costs		**567,005**	223,910
Assaying		**949,813**	368,332
Scoping study		**1,072,751**	-
Other exploration costs		**341,697**	155,683
Total Exploration		**9,894,930**	4,380,702
TOTAL EXPENSES		**12,689,737**	5,890,891
LOSS BEFORE INTEREST AND TAXES		**(11,382,724)**	(5,689,660)
Income tax benefit		-	-
NET LOSS		**(11,382,724)**	(5,689,660)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(11,382,724)**	(5,689,660)
Basic and diluted loss per share (cents per share)		**(5.1)**	(3.2)

The accompanying notes form part of these financial statements.

NORTHERN MINERALS LIMITED

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

CONDENSED STATEMENT OF FINANCIAL POSITION	Note	Consolidated	
		2012 31-Dec	2012 30-Jun
CURRENT ASSETS			
Cash and cash equivalents		**2,234,545**	9,215,943
Trade and other receivables		**596,742**	164,311
Total Current Assets		**2,831,287**	9,380,254
NON CURRENT ASSETS			
Other financial assets		**1,249,619**	359,283
Plant & equipment		**1,305,865**	785,487
Total Non-Current Assets		**2,555,484**	1,144,770
TOTAL ASSETS		**5,386,771**	10,525,024
CURRENT LIABILITIES			
Trade and other payables		**2,648,435**	1,575,292
Provisions		**178,090**	153,738
Total Current Liabilities		**2,826,525**	1,729,030
NON-CURRENT LIABILITIES			
Provisions		**92,076**	81,763
Total Non-Current Liabilities		**92,076**	81,763
TOTAL LIABILITIES		**2,918,601**	1,810,793
NET ASSETS		**2,468,170**	8,714,231
EQUITY			
Issued capital	**3**	**42,686,084**	38,192,674
Reserves		**2,114,779**	1,471,526
Accumulated losses		**(42,332,693)**	(30,949,969)
TOTAL EQUITY		**2,468,170**	8,714,231

The accompanying notes form part of these financial statements.

NORTHERN MINERALS LIMITED

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

STATEMENT OF CHANGES IN EQUITY	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Share Options Reserve	Total
Consolidated Entity					
Balance at 1 July 2011	26,534,218	(20,213,593)	564,316	512,445	7,397,386
Net income/expense recognised directly in equity	-	-	-	-	-
Loss for the financial period	-	(5,689,660)	-	-	(5,689,660)
Total recognised income and expense for the half year	-	(5,689,660)	-	-	(5,689,660)
Shares issued	411,644	-	-	-	411,644
Capital raising costs	-	-	-	-	-
Shares/options issued	-	-	97,170	103,583	200,753
Shares/options exercised or lapsed	-	-	-	-	-
Balance at 31 December 2011	26,945,862	(25,903,253)	661,486	616,028	2,320,123
Consolidated Entity					
Balance at 1 July 2012	**38,192,674**	**(30,949,969)**	**768,077**	**703,449**	**8,714,231**
Net income/expense recognised directly in equity	-	-	-	-	-
Loss for the financial period	-	**(11,382,724)**	-	-	**(11,382,724)**
Total recognised income and expense for the year	-	**(11,382,724)**	-	-	**(11,382,724)**
Shares issued	**4,700,627**	-	-	-	**4,700,627**
Capital raising costs	**(207,217)**	-	-	-	**(207,217)**
Shares/options issued	-	-	**139,291**	**503,962**	**643,253**
Shares/options exercised or lapsed	-	-	-	-	-
Balance at 31 December 2012	**42,686,084**	**(42,332,693)**	**907,368**	**1,207,411**	**2,468,170**

The accompanying notes form part of these financial statements.

NORTHERN MINERALS LIMITED

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

CONDENSED STATEMENT OF CASH FLOWS	Note	Consolidated Half Year 31-Dec-12	Consolidated Half Year 31-Dec-11
OPERATING ACTIVITIES			
Payments to suppliers and employees		(11,037,049)	(5,237,832)
Interest received		129,901	193,563
R & D refund		287,277	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(10,907,148)	(5,044,269)
INVESTING ACTIVITIES			
Purchase of plant and equipment		(784,541)	(239,941)
Increase in security deposits		(90,336)	-
Disposal of tenements and rights		100,000	50,000
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(774,877)	(189,941)
FINANCING ACTIVITIES			
Proceeds from issue of shares		4,700,627	117,319
Share issue costs		-	-
NET CASH FLOWS RECEIVED FROM FINANCING ACTIVITIES		4,700,627	117,319
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(6,981,398)	(5,116,891)
Cash and cash equivalents at beginning of half year		9,215,943	7,705,314
CASH AND CASH EQUIVALENTS AT END OF HALF YEAR		2,234,545	2,588,423

The accompanying notes form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated interim financial report has been prepared on the accruals basis and on an historical cost basis.

The interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the interim financial report be read in conjunction with the annual report for the year ended 30 June 2012 and considered together with any public announcements made by Northern Minerals Limited during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations of the ASX listing rules.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

1.2 Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2012, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2012.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2012. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

This consolidated interim financial report was approved by the Board of Directors on 13 March 2013.

2. SEGMENT INFORMATION

The Company operates in only one business and geographical segment, being the mineral exploration industry in Australia.

3. ISSUED CAPITAL

	Consolidated Half Year 31-Dec-12		Consolidated Full Year 30-Jun-12	
	Number	$	Number	$
(a) Ordinary Shares				
Share Capital				
Ordinary shares	**236,560,451**	**42,686,084**	212,357,318	38,192,674
Movement in Ordinary Share Capital				
At 1 July	**212,357,318**	**38,192,674**	174,435,438	26,534,218
Issue of Share Purchase Plan shares - July 2012	**250,000**	-	-	-
Exercise of Options - August 2012 at 20 cents	**584,418**	**116,884**	-	-
Exercise of Options - September 2012 at 20 cents	**7,918,715**	**1,583,743**	-	-
Placement of shares - November 2012 at 20 cents	**15,000,000**	**3,000,000**	-	-
Issue of Share Purchase Plan shares - Oct 2012	**50,000**	-	-	-
Issue of Share Purchase Plan shares - Dec 2012	**400,000**	-	-	-
Exercise of Options - July 2011 at 20 cents	-	-	128,250	25,650
Exercise of Options - July 2011 at 15 cents	-	-	277,999	41,700
Share issue - share based payment	-	-	30,590	25,000
Exercise of Options - Aug 2011 at 10.8 cents	-	-	50,000	5,400
Payment for Share Purchase Plan Shares	-	-	-	3,750
Exercise of Options - September 2011 at 20 cents	-	-	80,000	16,000
Exercise of Options - September 2011 at 15 cents	-	-	160,000	24,000
Issue of Share Purchase Plan shares - September 2011	-	-	300,000	-
Exercise of Options - November 2011 at 20 cents	-	-	1,000	200
Exercise of Options - November 2011 at 15 cents	-	-	4,124	619
Sale of Share Purchase Plan Shares	-	-	-	269,326
Exercise of Options - January 2012 at 20 cents	-	-	6,000	1,200
Exercise of Options - January 2012 at 15 cents	-	-	576,235	86,435
Issue of Share Purchase Plan shares - January 2012	-	-	125,000	-
Issue of Share Purchase Plan shares - January 2012	-	-	938,000	-
Exercise of Options - February 2012 at 15 cents	-	-	2,781,358	417,204
Placement of shares - March 2012 at 44 cents	-	-	22,727,273	10,000,000
Exercise of Options - March 2012 at 15 cents	-	-	7,962,801	1,194,420
Exercise of Options - March 2012 at 20 cents	-	-	3,300	660
Issue of Share Purchase Plan shares - March 2012	-	-	100,000	-
Exercise of Options -April 2012 at 15 cents	-	-	769,950	115,492
Exercise of Employee Options -June 2012 at 10.8 cents	-	-	600,000	64,800
Issue of Share Purchase Plan shares - June 2012	-	-	300,000	-
	236,560,451	**42,893,301**	212,357,318	38,826,074
Less: costs of issue	-	**(207,217)**	-	(633,400)
Balance at end of reporting period	**236,560,451**	**42,686,084**	212,357,318	38,192,674

3. ISSUED CAPITAL (continued)

Included in Ordinary Shares are shares issued pursuant to the Share Purchase Plan as follows:

(b) Share Purchase Plan Shares	Consolidated Half Year 31-Dec-12 Number	Consolidated Full Year 30-Jun-12 Number
Balance at beginning of reporting period	**4,496,800**	3,450,500
Shares dealt with on resignation of share plan participant	-	-
Shares reverted to Company on non repayment of loan	-	(666,700)
Repayment of loan	-	(50,000)
Shares issued during the year	**700,000**	1,763,000
Balance at end of reporting period	**5,196,800**	4,496,800

(c) Options/Performance Rights over ordinary shares	Consolidated and Company 31-Dec-12 Number	Consolidated and Company 30-Jun-12 Number
Exercise price of $0.20 expiring 30/9/2012 (Quoted):		
Balance at beginning of reporting period	**8,503,133**	8,721,683
Issued during the period	-	-
Exercised during the period	**(8,503,133)**	(218,550)
Balance at end of reporting period	-	8,503,133
Exercise price of $0.15 expiring 31/3/2012 (Quoted):		
Balance at beginning of reporting period	-	12,720,600
Issued during the period	-	-
Forfeited on expiry	-	(188,133)
Exercised during the period	-	(12,532,467)
Balance at end of reporting period	-	-
Exercise price of $0.108 expiring between 1/3/ 2013 and 16/6/2013(Unquoted):		
Balance at beginning of reporting period	**1,900,000**	2,550,000
Issued during the period	-	-
Exercised during period	-	(650,000)
Balance at end of reporting period	**1,900,000**	1,900,000

3. ISSUED CAPITAL (continued)

(c) Options/Performance Rights over ordinary shares (continued)

	Consolidated and Company	
	31-Dec-12	30-Jun-12
	Number	Number
Exercise price of $0.30 expiring between 1/3/ 2013 and 16/6/2013(Unquoted):		
Balance at beginning of reporting period	**1,900,000**	1,900,000
Issued during the period	**-**	-
Balance at end of reporting period	**1,900,000**	1,900,000
Exercise price of $0.50 expiring 1/3/ 2013 (Unquoted):		
Balance at beginning of reporting period	**3,000,000**	3,000,000
Issued during the period	**-**	-
Balance at end of reporting period	**3,000,000**	3,000,000
Exercise prices between $0.26.5 and $0.63 expiring between 31/12/ 2013 and 7/12/2015 (Unquoted):		
Balance at beginning of reporting period	**1,885,000**	800,000
Forfeited during the period	**-**	(100,000)
Issued during the period	**650,000**	1,185,000
Balance at end of reporting period	**2,535,000**	1,885,000
Performance rights with conditions with Nil exercise price expiring between 31/12/ 2014 and 30/6/2015 (Unquoted):		
Balance at beginning of reporting period	**3,000,000**	-
Forfeited during the period	**(1,000,000)**	-
Issued during the period	**6,000,000**	3,000,000
Balance at end of reporting period	**8,000,000**	3,000,000

4. EXPENDITURE COMMITMENTS

Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State governments. These obligations can be reduced by selective relinquishment of exploration tenure or renegotiation. Due to the nature of the Company's operations in exploring and evaluating areas of interest, exploration expenditure commitments beyond twelve months cannot be reliably determined. It is anticipated that expenditure commitments in subsequent years will be similar to that for the forthcoming twelve months. These obligations are not provided for in the financial report and are payable:

	Consolidated	
	31-Dec-12	31-Dec-11
	$	$
Exploration Tenements		
Within one year	**3,266,889**	2,136,000

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(i) Contingent liability

Arnhem Resources Pty Ltd

Under the terms of an agreement with Arnhem Resources Pty Ltd ("Arnhem"), Northern Minerals Ltd has through its wholly owned subsidiary Northern Rare Earth Metals Pty Ltd, acquired a right for a four year period to acquire a 100% interest in the John Galt Project, which is located in the Kimberley region of Western Australia. The Group has completed the option to purchase agreement, with a cash payment of $25,000.

Upon granting of the tenement to Arnhem, the Company issued Arnhem 500,000 unlisted options with a three year exercise period at 25c per share. These were exercised during the prior year.

Should Northern Minerals proceed to purchase, the final consideration comprises;

- a cash payment of $250,000;
- the issue of ordinary shares to the value of $500,000; and
- a 1% Net Smelter Return Royalty on all minerals on the tenement.

(ii) Guarantees

The Group has guarantees in the form of security deposits for rent & performance bonds of $359,283 (30 June 2012: $359,283).

(ii) Contingent asset

During the financial year ended 30 June 2011 and 2012 the Company had a contingent asset which related to the extension of the option to acquire a 95% interest in Mineral Claim 968 in the Northern Territory.

The option exercise price was $100,000 payable by way of cash or the issue of Northern Minerals shares, valued according to the volume weighted average trading price over the previous 30 days trading up to the date at which the option is exercised. The option exercise period expires on 6 June 2013.

Other than these there are no other material contingent liabilities or assets of the Company at the end of the financial year.

5. SUBSEQUENT EVENTS

- On 14th January 2013 the Company issued 10,000,000 ordinary shares at 20 cents, being the settlement of a deferred placement announced on 9 November 2012.
- On 1st February 2013 the Company announced the following:-

  1. The sale of a 16% stake in the Browns Range project to Australia Conglin International Investment Group Pty Ltd to raise $26 million, with an off take agreement for an additional 20% of Browns Range production on commercial terms. This transaction will be subject to shareholder approval.

  2. The sale of the Northern Minerals Gardiner-Tanami gold assets to Australia Conglin International Investment Group Pty Ltd to raise an initial $2 million. This transaction will be subject to shareholder approval.

  3. A placement of 18,800,000 shares to sophisticated investors at 20c to raise $3.76 million.

6. SUBSEQUENT EVENTS (continued)

4. Plans to undertake a non-renounceable rights issue which will be fully underwritten by Australia Conglin Investment Group, subject to completing documentation. The rights issue will consist of:-

   - One new share for every two shares held at a price of 20 cents per new share; and

   - One option for every two new Shares issued as part of the rights issue with an option exercise price of 30 cents and a term of two years.

- On 22nd February 2013 the Company issued 18,800,000 ordinary shares at 20 cents raising $3.76 million.
- On 25th February 2013 the Company announced a rights issue for 133,180,226 ordinary shares at 20 cents raising $26,636,045 as well as 66,590,113 listed options with an exercise price of $0.30, expiring on 15th March 2015.
- On 28th February 2013 Simon Storm resigned as joint company secretary.
- No other matter or circumstance has arisen since the end of the half year that has significantly affected or may significantly affect the Company's operations, the results of those operations, or the state of affairs of the Company in future financial years.

NORTHERN MINERALS LIMITED

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Northern Minerals Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the financial position as at 31 December 2012 and the performance for the half-year ended on that date of the Company; and

  (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

George Bauk
Director

Perth, Western Australia

13 March 2013

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Independent Auditor's Review Report to the members of Northern Minerals Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Northern Minerals Limited and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2012, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended on that date, other selected explanatory notes and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the period.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and the *Corporations Act 2001.* This responsibility includes: establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2012 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Northern Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Conclusion

Nexia Perth Audit Services Pty Ltd
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Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Northern Minerals Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

Nexia Perth Audit Services Pty Ltd

PTC Klopper
Director

Perth
13 March 2013

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Auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Northern Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the period ended 31 December 2012, there have been:

(i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

Nexia Perth Audit Services Pty Ltd

PTC Klopper
Director

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13 March 2013

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