



COMPANY UPDATE – EAST KALGOORLIE PROJECT

REVISED FARM-IN AGREEMENT

- Northern Mining Ltd and Balagundi Gold Pty Ltd to earn collective 75%, Cazaly Resources Ltd to retain 25%
- Follow-up RC drilling programme due to commence next Tuesday 7 April at Blair North Prospect E25/268
- Previous best gold values up to 39.82g/t Au (northern zone) and 34.55g/t Au (southern zone)

Farm-In Agreement:

Northern Mining Limited (**ASX:NMI**) is pleased to announce the completion of negotiations with Cazaly Resources Ltd (**ASX:CAZ**) and Balagundi Gold Pty Ltd (**BGPL**) for a revised Farm-In Agreement over the East Kalgoorlie Project (**Project**) to include BGPL as a Farminor.

Collectively, NMI and BGPL will have the right to earn a 75% interest in the Project by completing a further 7,346 metres of reverse circulation (RC) or diamond drilling before December 2010.

It is proposed that BGPL will fund the next 2,000 metres of RC or diamond drilling, followed by NMI and BGPL jointly funding the remaining 5,346 metres.

Upon completion of the earn-in, it is expected that NMI will have earned a 51% interest and BGPL a 24% interest with CAZ holding the remaining 25% interest in the Project.

Drilling Commences at Blair North E25/268 – East Kalgoorlie Project:

Following the recent, highly successful diamond drilling program, the abovementioned 2,000m RC program (being funded by BGPL) is due to commence next Tuesday 7 April 2009. This program will focus on the southern and northern gold targets of E25/268 where gold values up to *39.82g/t Au in BNRC033 (northern zone) and *34.55g/t Au in BNRC020 (southern zone) were intercepted from previous diamond and RC drilling programs (Figures 1 and 2).

Results of the current program are expected by 30 April 2009.

**These results and figures have been previously announced to the ASX.*

Alan Lockett
Executive Chairman
Northern Mining Limited



Figure 1: E25/268 Southern Zone

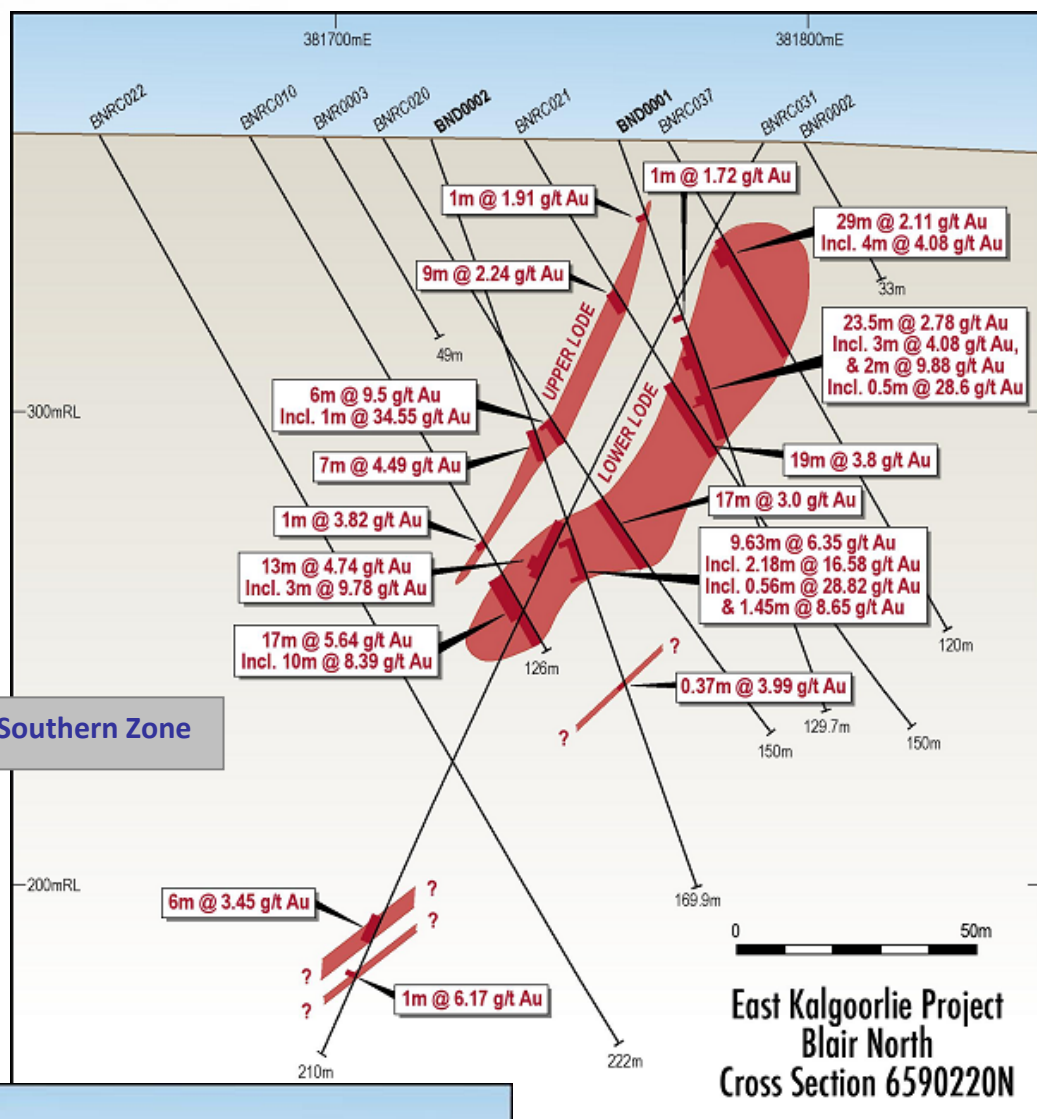


Figure 2: E25/268 Northern Zone

