



9 October 2013

Dear Shareholder

#### **Non-renounceable Entitlement Issue**

Northern Mining Limited (**Company**) announced to the Australian Securities Exchange on 8 October 2013 a one (1) for one (1) pro-rata non-renounceable entitlement issue (**Entitlement Issue** or **Offer**) of up to 436,474,406 new fully paid shares (**New Shares**) at an issue price of \$0.012 per Share to raise up to \$5,237,692.87. The funds raised from the Offer will be used for further exploration work, project acquisitions, working capital and to cover costs of the Offer.

On 8 October 2013 the Company lodged a Prospectus for the Offer with the ASIC and ASX. The prospectus for the Entitlement Issue is available on the ASX website <http://www.asx.com.au> and the Company's website at [www.northernmining.com.au](http://www.northernmining.com.au).

Patersons Securities Limited (**Patersons**) has entered into an Underwriting Agreement with the Company to underwrite 337,294,881 New Shares (up to \$4,047,539) less applications in excess of 99,179,525 New Shares. Provenance Finance Limited, an entity controlled by the Company's Non-executive Chairman, Mr Tony Ong, has agreed to sub-underwrite 137.3m shares (including its entitlement).

The Offer is being made to all shareholders of the Company named on the register at 7.00pm (AEDT) on 18 October 2013 (**Record Date**), whose registered address is in Australia or New Zealand (**Eligible Shareholders**). The Directors, in conjunction with the Underwriter, reserve the right to place any New Shares not issued to Eligible Shareholders. Shareholders with a registered address outside Australia or New Zealand will not be offered any New Shares under the Offer, although depending upon their personal circumstances and applicable laws they may be able to apply for any New Shares not issued to Eligible Shareholders.

Eligible Shareholders will be mailed a prospectus together with a personalised Entitlement and Acceptance Form that sets out their entitlements by no later than 24 October 2013. Eligible Shareholders should consider the prospectus in deciding whether to acquire New Shares under the Offer, and will need to complete the personalised application form.

For the purposes of calculating each Eligible Shareholder's entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares. In addition to entitlement, Eligible Shareholders may also apply for additional New Shares. The manner in which additional New Shares will be allocated is set out in the Prospectus.

The important dates of the Entitlement Issue are set out below:

Company announces Entitlement Issue and lodges Appendix 3B	8 October 2013
Lodgement of Prospectus at ASIC and ASX	8 October 2013
Shares trade "ex-rights"	14 October 2013
Record Date to determine Entitlements under the Entitlement Issue	18 October 2013
Prospectus and Application Form dispatched	24 October 2013
Offer opens for receipt of Applications	24 October 2013
Closing Date for acceptances	8 November 2013
Issue of New Shares	18 November 2013
Dispatch of shareholding statements for New Shares	19 November 2013
Trading of New Shares expected to commence	19 November 2013

The above dates are indicative only. The Company, in conjunction with the Underwriter, reserves the right to vary the above dates, subject to ASX Listing Rules and the Corporations Act.

The Entitlement Issue is non-renounceable so Eligible Shareholders who do not wish to subscribe for some or all of the New Shares cannot sell or otherwise deal with their entitlement.

Patersons will be paid a fee of \$40,000 and 5% on placing any of the 99,179,525 New Shares not underwritten (other than New Shares placed with persons introduced by the Directors).

#### **Actions required of Eligible Shareholders**

There are a number of actions Eligible Shareholders may take:

- take up all or some of your entitlements;
- take up all of your entitlements and apply for additional New Shares;
- not participate in the Entitlement Issue and if so; you do not need to take any action.

You will need to ensure your application money for the entitlements you wish to take up is received by Computershare Investor Services Pty Limited by no later than 5.00pm (WST) on 8 November 2013.

This notice is important and requires your immediate attention. If you have any queries concerning the Non-Renounceable Entitlement Issue or if you are not an Eligible Shareholder but may wish to apply for New Shares not issued to Eligible Shareholders, please contact the Company Secretary on +61 (08) 9244 8499.

This letter does not constitute an offer of securities.

Yours faithfully

Patrick Tan  
Company Secretary