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ASX RELEASE

Tests Confirm Accessibility of Xenotime Mineralisation in Browns Range Ore

- Encouraging results from on-going metallurgical studies on samples of Browns Range xenotime mineralisation - initial data indicates that the ore is very amenable to flotation beneficiation techniques. The result obtained from a single flotation test on whole feed is reported in Table 1.

Table 1 Whole Feed Flotation Recovery Summary

Flotation on WHOLE FEED (p80=106µm)			
PRODUCT	Yield	Y₂O₃	
	%	%	dist.
Rougher Con	32.8%	5.10	89.5%
Rougher Tail	67.2%	0.29	10.5%
Calculated Head	100.0%	1.87	100.0%

- Further rock chip sampling results have extended the drill target area at the Area 5 North prospect, with results of up to **8.5% TREE** including 5% Yttrium and 0.8% Dysprosium.
- Highly regarded REE market and project development expert, Mr Dudley Kingsnorth joins the team as a marketing consultant and general advisor.
- China has identified country's finite resources of HREEs as a key reason for reducing export quotas and cracking down on illegal mining and processing of HREEs; making the development of alternative supplies a priority for China and the rest of the world..

Northern Uranium (ASX: NTU) is pleased to announce a number of milestones in the exploration of its Rare Earth Elements (REE) project at Browns Range in Western Australia.

George Bauk, Managing Director, confirmed that initial metallurgical test work on samples of Browns Range mineralisation indicates the xenotime occurrence is, in the main, freely accessible.

“Importantly, initial data indicates that the surface samples are very amenable to flotation beneficiation techniques,” Mr Bauk said.

“Obtaining this information at an early stage will be valuable in determining the project’s ultimate viability.”

“We’ve also had some encouraging results from ongoing fieldwork at Browns Range; with recent rock chip samples containing up to 8.5% TREE including 5% Yttrium and 0.8% Dysprosium further extending the drill target area at the Area 5 North prospect to 300m strike length.”

“We also welcome Mr Dudley Kingsnorth to Northern Uranium. Mr Dudley is a highly regarded marketing and project development consultant. He is recognised as a world authority on the rare earths market through his 20 year association with the industry, initially as Project Manager of the Mt Weld Rare Earths Project and over the last 10 years as a marketing consultant to the industry.”

“Mr. Kingsnorth is the author of the 11th (2001), 12th (2004) and 13th (2007) editions of the Roskill report “The Economics of rare Earths and Yttrium”, and his appointment is a significant boost to the Company’s REE expertise.”

“He joins us at an exciting time in Northern Uranium’s development - against a backdrop of rising prices following a significant reduction in China’s rare earths export quotas in 2010.”

“We are currently in the process of designing the 2011 drilling program at Browns Range including an initial 5,000m and subsequent campaigns later in the year.”

Metallurgical test work on Browns Range mineralisation

Metallurgical beneficiation studies are being conducted on surface samples from the Browns Range project. The studies are being carried out by Nagrom, a metallurgical testing company based in Western Australia that has been in operation for 40 years and has particular expertise in the treatment of rare earth mineral ores.

The three samples (20-30kg) were collected from outcropping mineralisation at the Wolverine, Gambit and Area 5 North Prospects. The study program is currently in the early characterisation and development stages and is expected to run through to a definitive flowsheet development program.

The test work completed to date has focused on only one of the samples which is from the Area 5 North prospect. Initial data, part of which is reported below, indicates that the ore is very amenable to flotation beneficiation techniques.

The result obtained from a single flotation test on whole feed is reported in Table 2.

Table 2 Whole Feed Flotation Recovery Summary

Flotation on WHOLE FEED (p80=106µm)			
PRODUCT	Yield %	Y ₂ O ₃ % dist.	
Rougher Con	32.8%	5.10	89.5%
Rougher Tail	67.2%	0.29	10.5%
Calculated Head	100.0%	1.87	100.0%

The result obtained from a single flotation test on a magnetic pre-concentrate is reported in Table 3.

Table 3 WHIMS Mag Pre-con Flotation Summary

Flotation on WHIMS Mag Pre-concentrate			
PRODUCT	Yield %	Y ₂ O ₃ % dist.	
Rougher Con	60.9%	11.18	93.8%
Rougher Tail	39.1%	1.15	6.2%
Calculated Head	100.0%	7.25	100.0%

The observations presented here represent preliminary findings of an on-going metallurgical study that should deliver a high grade Yttrium concentrate for leaching studies.

Further Browns Range mapping and soil and rock chip sampling

Further detailed geological and structural mapping was completed at the Wolverine, Gambit, Area 5 and Area 5 North prospects to better understand the structural controls of the xenotime mineralisation. At the Area 5 North prospect mineralisation is interpreted to be primarily controlled by 320° (northwest) trending structures. An additional six rock chip samples (BRRK063-BRRK068) were collected from the Area 5 and Area 5 North Prospects. The rock chip samples were selected from areas of interest that recorded anomalous spectrometer readings. The results from these rock chip samples have been received and are summarised in Table 3 below (see Figure 2 below).

Table 4 - Summary of anomalous rock chip samples (>1% TREE)

Sample Id	Prospect	Northing	Easting	TREE(%)	THREE(%)	Dy (%)	Y(%)	Rock Type
BRRK064	Area 5 North	7910301	492406	1.47	1.45	0.151	0.927	Arkose
BRRK065	Area 5 North	7910458	492331	1.22	1.12	0.116	0.751	Arkose
BRRK066	Area 5 North	7910348	492510	3.48	3.34	0.338	2.18	Arkose
BRRK067	Area 5 North	7910333	492523	8.55	8.38	0.829	5.36	Arkose
BRRK068	Area 5	7910080	492191	4.0	3.93	0.417	2.56	Quartz veined arkose

NB – TREE: Total Rare Earth Elements – Total of La, Ce, Pr, Nd, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Y, Lu

THREE: Total Heavy Rare Earth Elements – Total of Tb, Dy, Ho, Er, Tm, Y, Yb, Lu

The high-grade samples (BRRK067 – 8.55% TREE and BRRK066 - 3.48% TREE) are located approximately 100m southeast of previous anomalous rock chip sampling at the Area 5 North prospect. The high Dysprosium values (up to 0.83%) from these samples are very encouraging. These results extend the drill target area at Area 5 North to over 300m in strike length.

Significantly, these results indicate the potential for high-grade HREE mineralisation at the Area 5 North prospect.

A total of 1250 soil samples have been collected from the Wolverine, Gambit, Area 5 and Area 5 North prospects during October. Results from these samples are expected in mid-December, and this data will be used to further refine the drill targets.

Future Work

The Company is currently in the process of designing the 2011 drilling program at Browns Range. Drilling is planned for Q2 2011 with a minimum of 5,000m expected in the first phase. Follow-up phases later in the year will be dependent upon the initial results. Drilling targets have initially been outlined at the four priority targets; Area 5, Area 5 North, Wolverine and Gambit. Detailed airborne magnetic and radiometric surveys and regional soil sampling are also proposed for 2011.

Following the anticipated granting of the John Galt license, work on this project will initially be focused on the heritage clearance process in preparation for a program of airborne geophysical surveys, geological mapping, and soil and rock chip sampling.

Heavy Rare Earths Market

With the commitment to the Mt Weld and Mountain Pass projects rare earths consumers are assured of future light rare earths suppliers. However, the situation with reference to HREEs is a different story; particularly as China's resources of these elements are finite and could be exhausted in 15-20 years. This is the reason that the consumers outside China are taking a particular interest in HREEs.

As a result of the significant reduction in China's rare earths export quotas in the middle of the year average prices have risen by over 100%. The larger price rises have been associated with the lower value light rare earths as a 'value' of US\$30-50/kg REO has been placed on the quotas. Nevertheless, when light rare earths prices are expected to fall in the medium term as Lynas and Molycorp offer alternatives to Chinese light rare earths supply the 20-50% gains achieved by the HREEs over the past 4-5 months are likely to remain in place for the foreseeable future. Historically, HREE prices have shown less volatility than LREEs, giving the Company confidence in the potential long viability of a proven xenotime resource.

Figure 1 – Browns Range Project – Prospect locations

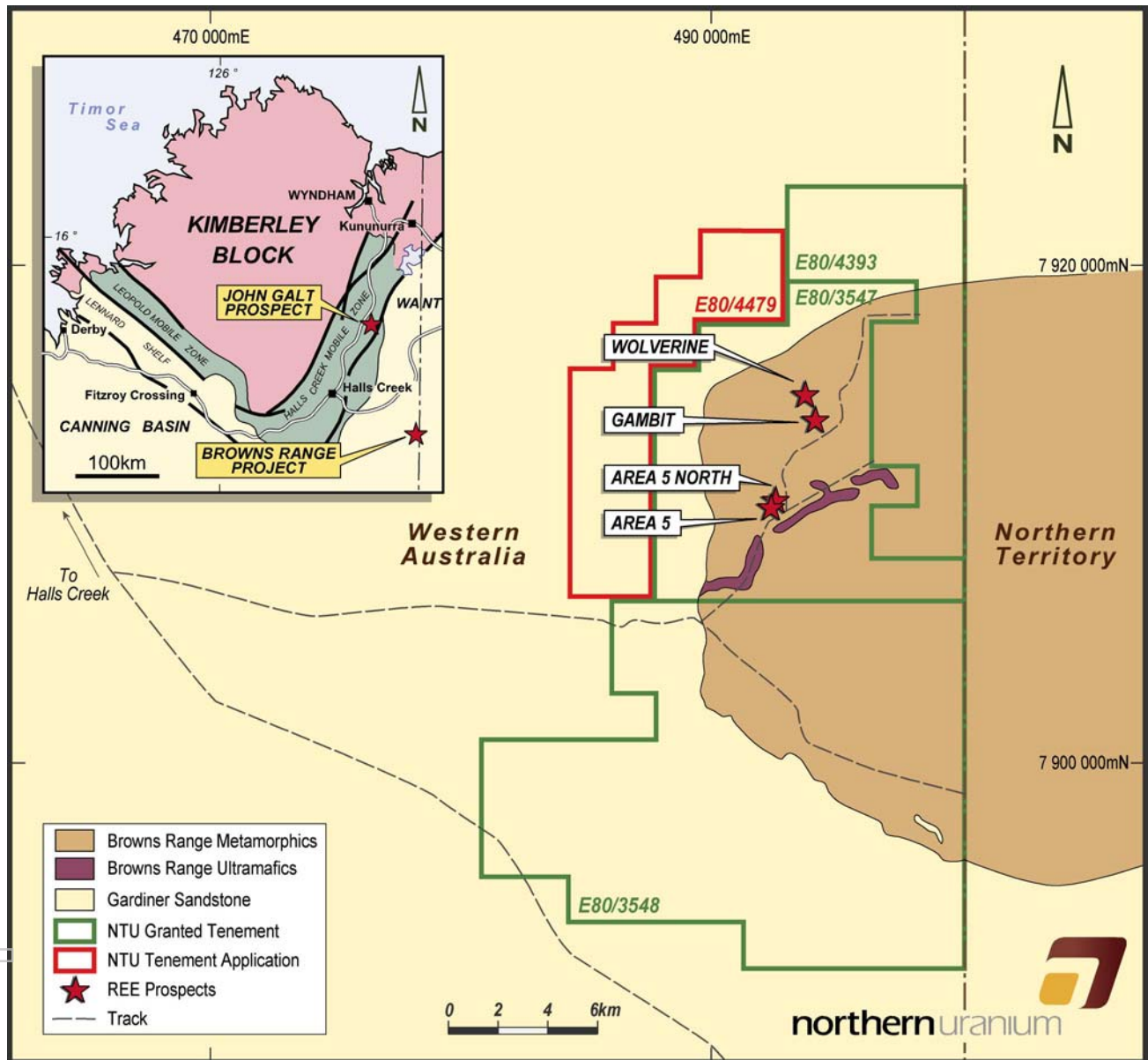
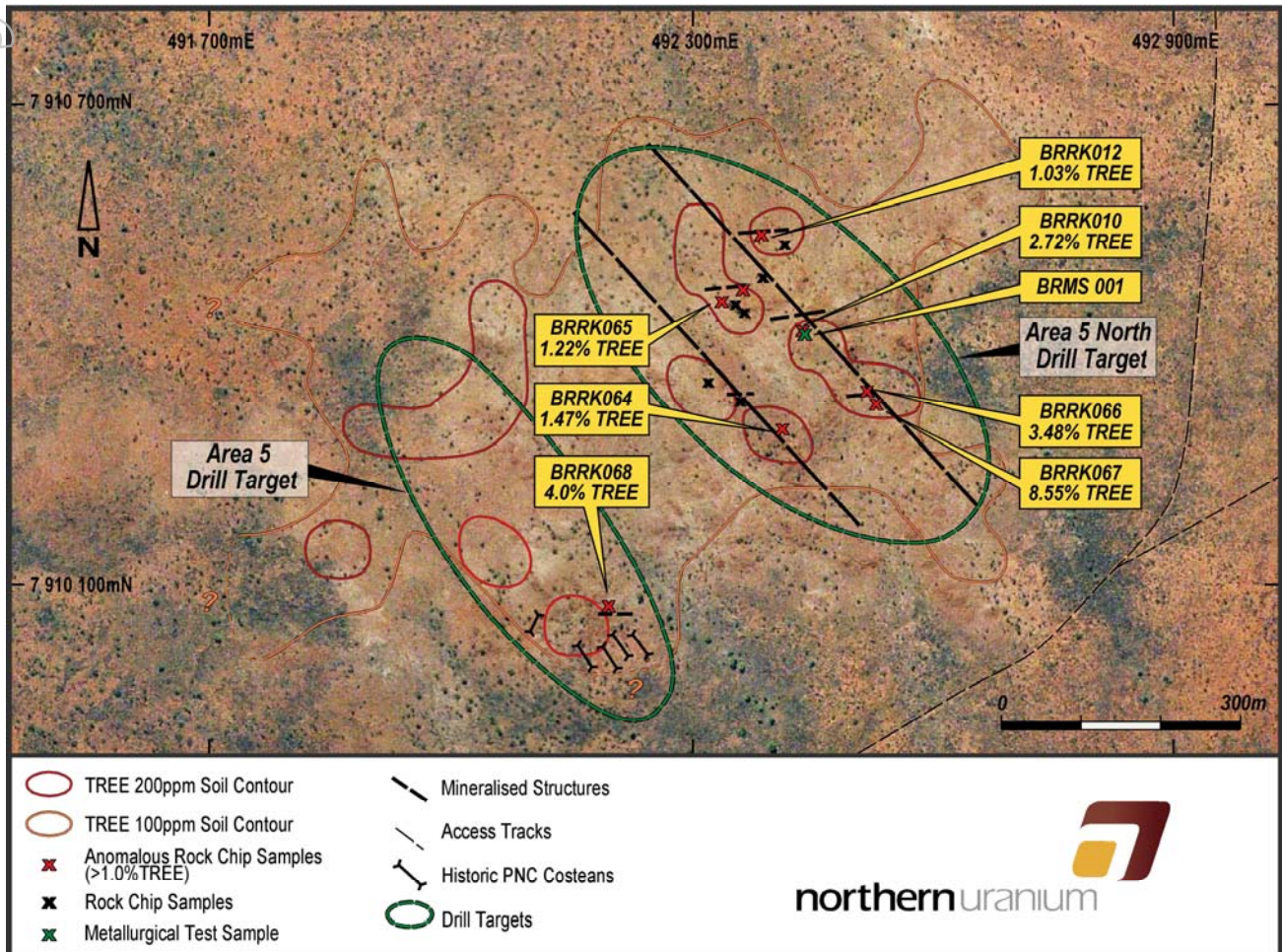


Figure 2 – Area 5 & Area 5 North prospects – Soil geochemistry, rock chip sampling and drill target areas



Yours sincerely,

NORTHERN URANIUM LIMITED



George Bauk
Managing Director

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 R Wilson, an employee of the Company who is a Member of The Australasian Institute of Mining and Metallurgy with the requisite experience in the field of activity in which he is reporting. Mr Wilson has sufficient experience which is relevant to the style of mineralisation and the 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 his information in the form and context in which it appears.

Metallurgical statements and analytical data presented in this report has been certified by Dr Slobodanka Vukcevic BSc(Metallurgy) MSc(Eng) Ljubljana, PhD Belgrade – Associate Professor (UWA). Dr Vukcevic has sufficient experience with the ore types under consideration and the metallurgical processing techniques employed in this study 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'. Dr Vukcevic consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

For more information:

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About Northern Uranium

Northern Uranium Limited (ASX: NTU) is a uranium exploration and development company, with a large and prospective landholding in Western Australia and the Northern Territory, which also includes a number of high value Rare Earth Element projects. The Company has an operating alliance with the French nuclear group, Areva NC, via its wholly owned subsidiaries, Areva NC Australia Pty Ltd (AREVA) and Afmex Mining and Exploration Pty Ltd (Afmex).

Afmex is the operator of uranium exploration and development at the Gardiner-Tanami Project, and will market any uranium produced by Northern Uranium. AREVA also has a substantial shareholding in Northern Uranium. The Gardiner-Tanami project and Gardner Range JV comprises 10,500km² on the WA-NT border, 200km southeast of Halls Creek. Exploration is focused on high grade unconformity-related uranium deposits, with a number of high priority targets identified. The Gardiner-Tanami area is compared favourably with the Alligator Rivers region in the NT which hosts the Ranger mine (Australia's largest operating uranium mine), and the Athabasca Basin in Canada, host to the world's highest-grade unconformity-related uranium deposits.

At the Browns Range Project, the Company has discovered high value xenotime and heavy rare earth elements (HREE). The discovery is particularly significant due to the high value nature of the mineralisation, and the strong global demand for the HREE elements it includes.

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