northern uranium

Quarterly Activities Report December 2010

January 25 2011

Highlights

RARE EARTHS

- Excellent results from metallurgical test work on Browns Range – 89.5% recovery in single flotation test
- Soil sampling confirms significant drill ready targets at Browns Range– minimum 5000m drill program planned in Phase One
- Significant expansion to NT landholding, with further rare earths potential
- Expansion of REE team with appointment of REE expert Dudley Kingsnorth
- John Galt REE Project tenement granted

URANIUM

- Completed 3,000m drill program at Gardner Range JV project, with encouraging results from the Soma prospect
- Northern Uranium to become operator of Gardiner-Tanami Project in 2011/12, increasing control of exploration activities

GOLD

- Encouraging gold hits from drilling at the Gardiner-Tanami Project, which lies within renowned Tanami gold province

CORPORATE

- Expanded mineral rights with acquisition of pre-emptive rights for all minerals other than uranium from strategic partner Areva
- Proposed name change to Northern Minerals Limited, to reflect recent growth and diversification of Company
- Strong cash position, following completion of $9.5m capital raising in October

Company Information

Northern Uranium Limited
ABN 61 119 966 353

COMPANY DIRECTORS:
Kevin Schultz Non-executive Chairman
George Bauk Managing Director
Adrian Griffin Non-executive Director
Colin McCavana Non-executive Director

Robin Wilson Exploration Manager
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STOCK EXCHANGE LISTING
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Shares on Issue	164,315,045
Market Capitalisation	$94 million
12 month Share Range	$0.06 - $0.685

Executive Summary

The past quarter has been an active period for Northern Uranium at both an operational and corporate level. The Company finished the calendar year with a number of significant changes including the acquisition of all Ferrum Crescent mineral rights in Australia and changes to its strategic alliance with Areva. These two events have consolidated the company's position in the Gardiner-Tanami Project with all mineral rights and operatorship. The changes will improve the upside potential for shareholders and increasingly give the Company more control over the exploration and future development of its project portfolio.

During the quarter the company has made significant progress with its Rare Earth Element (REE) portfolio. It has received excellent metallurgical results from the Browns Range Project, and following evaluation of data from the 2010 field programs, has developed drill targets for testing in 2011. The Company has also expanded its portfolio further with the acquisition of Ferrum Crescent's mineral rights in the NT, as well as boosting its technical team with the appointment of REE expert Dudley Kingsnorth.

Planning is well underway for the 2011 exploration program, with work programs being finalized, drilling contractors being sourced and an advanced recruitment campaign to boost the geological team. Drilling is planned at nearly all the projects with particular focus on the REE and uranium projects.

The Company remains in a strong cash position, having raised $9.5 million through a share rights issue which was completed in early October.

OPERATIONS

Browns Range Rare Earths Project

During the quarter, the Company has completed geochemical soil sampling programs, geological mapping, rock chip sampling and early metallurgical test work at Browns Range. The results were encouraging, confirming the nature of mineralisation and identifying extensive Heavy Rare Earth Element (HREE) geochemical soil anomalies which will be tested by further exploration next quarter.

Metallurgical test work on Browns Range mineralization

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.

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 1.

Table 1 - Whole Feed Flotation Recovery Summary

Flotation on WHOLE FEED (p80=106µm)			
PRODUCT	Yield	Y_2O_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 2.

Table 2 - WHIMS Mag Pre-con Flotation Summary

Flotation on WHIMS Mag Pre-concentrate			
PRODUCT	Yield	Y_2O_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 represent preliminary findings of an on-going metallurgical study that should deliver a high grade Yttrium concentrate for leaching studies.

Browns Range geological mapping 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 3 below).

Table 3 - 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.

Browns Range geochemical soil sampling

A total of 1250 soil samples were collected from the Wolverine, Gambit, Area 5 and Area 5 North prospects during October. The remaining soil sample results were returned from Genalysis during December. Detailed interpretation and analysis of the data is on-going. The additional soil geochemistry has provided a greater level of detail and increased the extent of the REE anomalism at each of the four prospect areas.

The close spaced geochemical sampling collected at the Wolverine prospect has identified several separate zones which are defined by a 100ppm Total Rare Earth Element (TREE) soil contour (see Figure 1). The main zone is coincident with an interpreted west northwest-east southeast trending (280^0) structure. The high grade rock chips taken from the mineralised-silicified breccia outcrop, which assayed up to 7.94% TREE are located at the western end of this zone.

The infill soil sampling at the Gambit prospect has defined an east-west trending ($260 - 270^0$) soil anomaly which is defined by the 100ppm TREE soil contour. The 100ppm soil contour follows the general trend of the outcrop at Gambit, but also appears to have some down slope dispersion of the mineralisation at the western end of the prospect area. In total, the 100ppm anomaly over the Gambit prospect area is up to 2.2km in length and 400m wide (see Figure 2). The 200ppm soil sample results confirm the HREE anomalism identified in the rock chip samples collected at Gambit. The main 200ppm soil anomaly at Gambit is 250m in length and 100m wide and is flanked to the north and south by two smaller irregular shaped anomalies.

The infill soil sampling at the Area 5 and Area 5 North prospects has defined a large 100ppm TREE geochemical soil anomaly. In total, the 100ppm soil anomaly over the Area 5 and Area 5 North prospects is up to 1.2km in length and 600m wide (see Figure 3). The 200ppm soil anomalies at Area 5/Area 5 North confirm the HREE anomalism identified in the rock chip samples. The highest grade rock chip (BRRK067) was sampled from a mineralised meta-arkose outcrop assaying up to 8.55% TREE. The 200ppm soil anomalies at the Area 5 and Area 5 North prospects are seen to be discontinuous zones ranging from 40m to 160m in length and 40m to100m in width.

Figure 1 – Browns Range Project – Geochemical Soil sampling – Wolverine Prospect

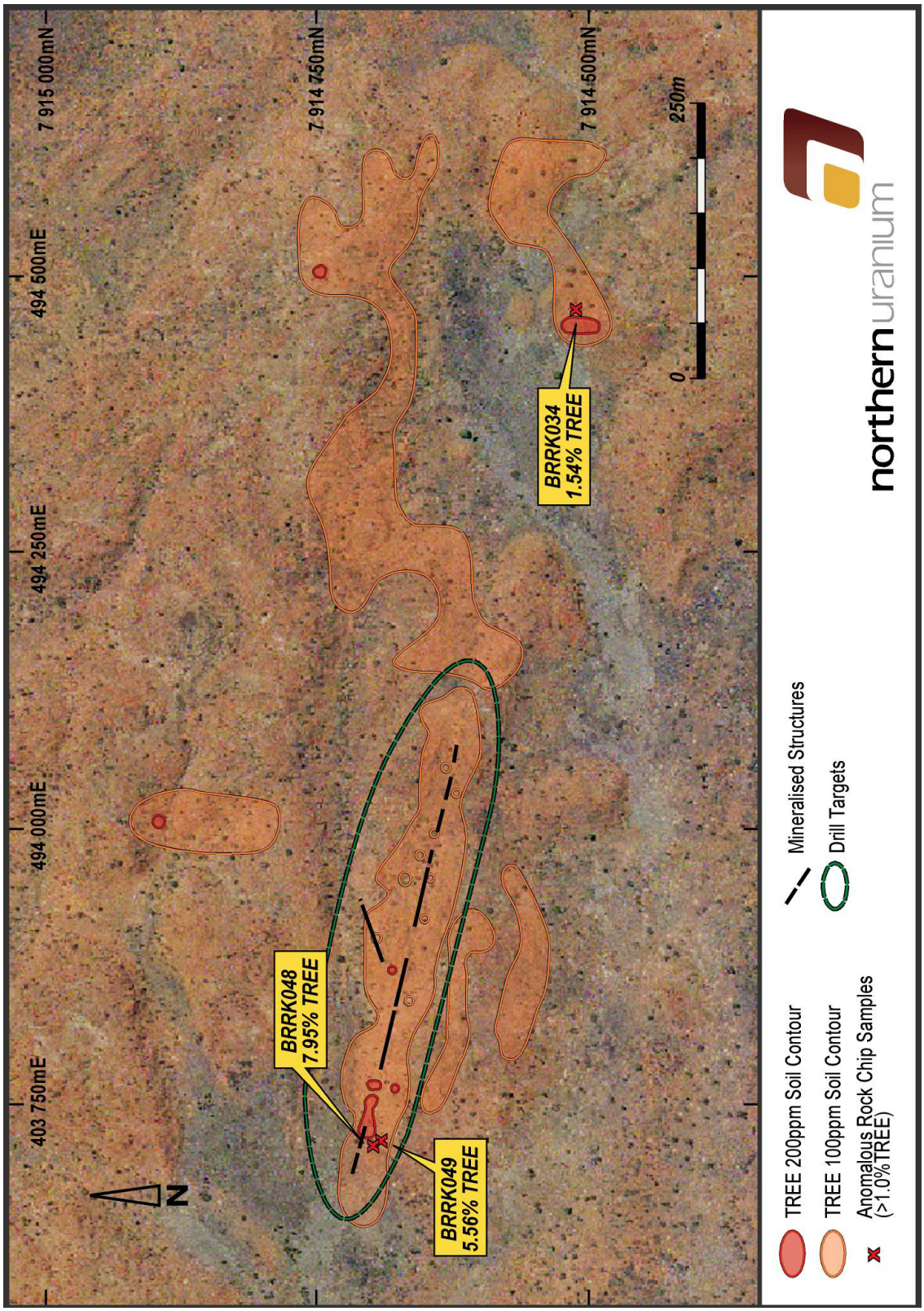


Figure 2 – Browns Range Project – Geochemical Soil sampling – Gambit Prospect

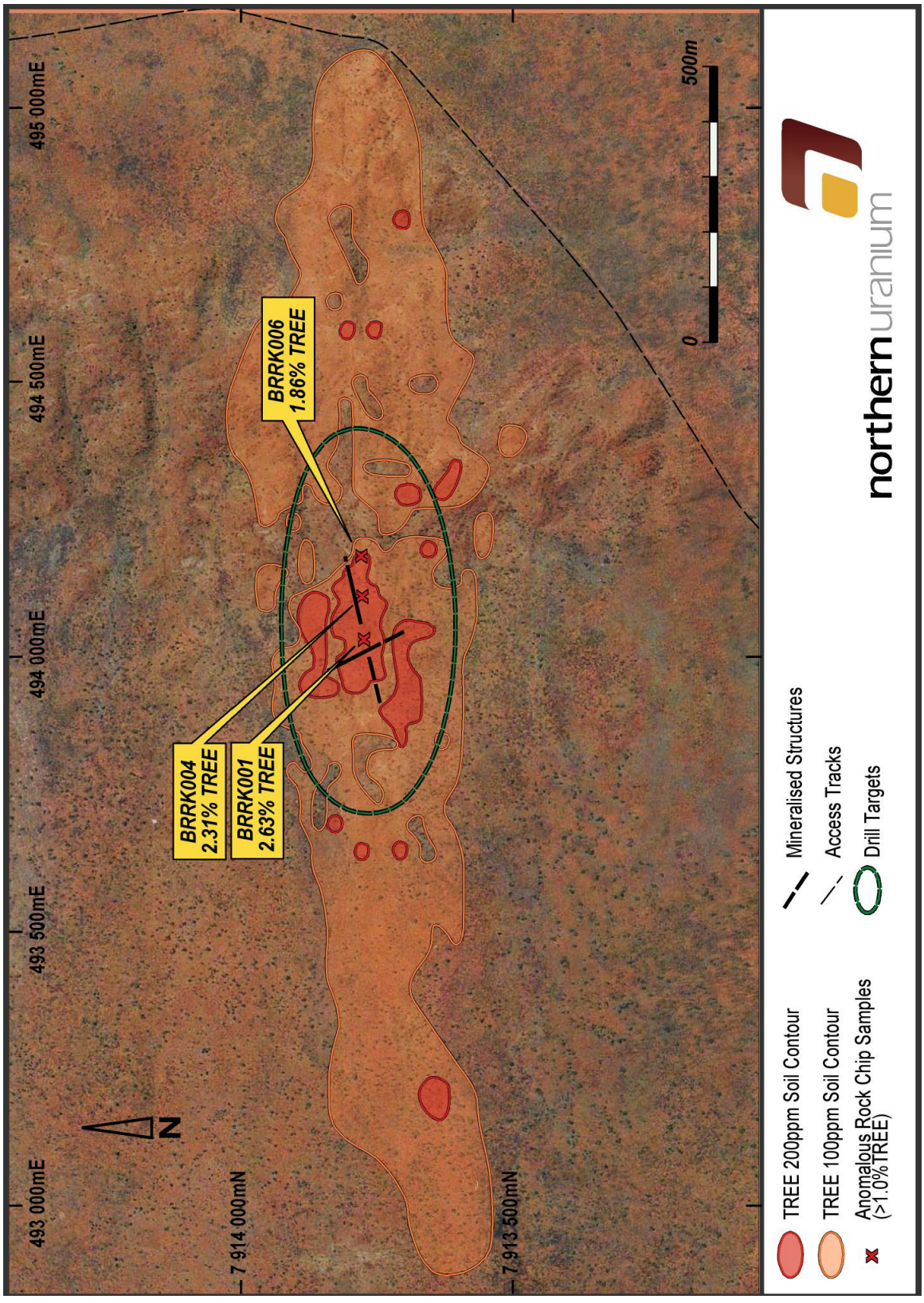
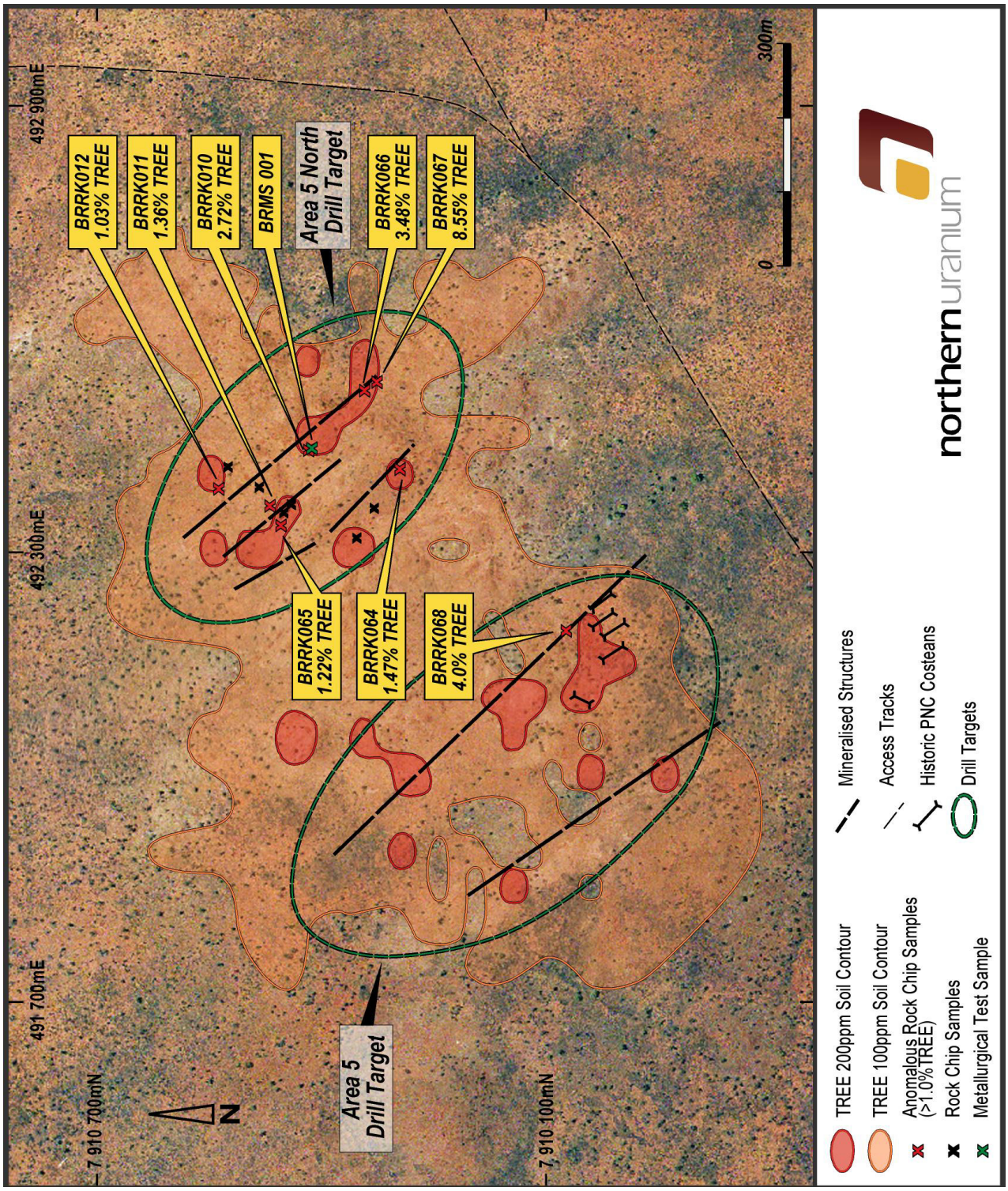


Figure 3 – Browns Range Project – Geochemical Soil sampling – Area 5/Area 5 North Prospect



Future Work

Based upon the encouraging results obtained to date, from the geological mapping and rock chip sampling, the Company is currently developing a 2011 exploration drilling program at Browns Range, with drilling planned for the second quarter. Northern Uranium is planning a minimum of 5,000m in the first phase, with follow-up phases planned for later in the year subject to 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 as well as regional soil sampling are also proposed for 2011.

Metallurgical studies are on-going on the three samples collected from the Area 5 North, Wolverine and Gambit prospects.

John Galt

During the reporting period Northern Uranium announced the John Galt license E80/4298 has been granted, and that it would commence REE exploration activity in the first quarter on 2011.

Historical reports indicate the occurrence of xenotime mineralisation at the John Galt project, the same style of HREE mineralisation as at the Company's Browns Range Project. Previous historical rock chip sampling of the mineralised zones at John Galt returned assays between 4.5% and 17.8% Total Rare Earth Oxides (TREO).

The John Galt Project lies in the East Kimberley region of Western Australia, approximately 200km south of Kununurra (28km south of Warmun) and 35km from the Great Northern Highway. The project comprises the tenement E80/4298 which covers an area of 65km^2.

Northern Uranium took the first steps to secure the John Galt tenement in April 2010, when it announced it had reached an option to purchase agreement with Arnhem Resources. As part of the agreement, Northern Uranium will issue Arnhem 500,000 unlisted options with a three year exercise period at 25c as a result of the license being granted. The project represents a strategic expansion of the Company's REE interests, with similar mineralisation as Browns Range and a complementary exploration approach.

2011 Work Program

The 2011 Work program for John Galt will consist of;

- Aboriginal heritage surveys - Q1/Q2
- Airborne geophysical survey – Q1/Q2
- A reconnaissance program including geological mapping, soil and rock chip sampling – Q2
- Metallurgical and petrology studies – Q2/Q3
- Proposed drilling program – Q3/Q4

Northern Uranium's Rare Earths Strategy

Northern Uranium has developed a simple REE strategy focussed on a short development program and early cash flow in order to capitalise on the rare earths market, the strengths of the Northern Uranium team and its high value REE prospects. Its strategy is built on:

- REE mineralisation that is dominantly heavy rare earths

- A strong preference for a style of mineralisation that is understood by the REE industry

Both the John Galt and Browns Range Projects comply with the strategy in that both are located in Australia, the heavy rare earths proportion appears to exceed 50% and the predominant rare earths mineral is xenotime in each case. Xenotime is a rare earths mineral that has been processed for heavy rare earths for over 40 years, significantly reducing the time to develop a process for their extraction. Furthermore, the preliminary results indicate the level of radioactivity associated with the Kimberley based projects is relatively low; another bonus for process development.

NTU boosts REE team

During the quarter, Northern Uranium also announced it had expanded its REE technical expertise, with the engagement of highly regarded marketing consultant, Mr. Dudley Kingsnorth to assist in the Company's REE exploration and development programs. Mr. Kingsnorth 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.

Northern Uranium also engaged highly regarded geological consultant Mr John Goulevitch to assist in the Company's REE exploration programs. Mr. Goulevitch possesses a wealth of REE exploration and resource development experience, and is acknowledged as being instrumental in the discovery and subsequent definition of Arafura's Nolan's Bore REE deposit.

REE market

During the reporting period, there was a considerable amount of market attention on the Rare Earth market, particularly following developments regarding a cut to export quotes from China.

The Ministry of Commerce of the People's Republic of China released 14,446 tonnes of approved Rare Earths export quota for the first half of 2011. Annualised, this represents a probable reduction of 5 – 10% in export quotas in 2011. These developments have continued to put upward pressure on global REE prices, which rose sharply (particularly for HREE) during 2010.

Looking forward to the middle of this decade, when the Mountain Pass and Mt Weld Projects should be in production meeting Rest of the World needs for Light Rare Earths, the major issue remains the shortage of heavy rare earths. For example, in 2015 the forecast demand for dysprosium (an essential rare earth used to maintain the strength of rare earth magnets at elevated temperatures) is 2,500 – 3,000 tonnes whereas supply is unlikely to exceed 2,000 tonnes. In this regard, the relatively high concentration of dysprosium in the samples collected from Browns Range make the project an attractive proposition.

Gardiner-Tanami Project & Gardner Range JV

During the reporting period, Northern Uranium completed a 3,200 metre drilling program at the Gardiner-Tanami Project. The campaign followed a detailed field exploration program completed during the September Quarter 2010, which prioritised key drill targets for high grade, unconformity-related uranium deposits.

Drilling was focused on The Don and Soma prospects on tenement E80/3275 with a total of 16 holes for 3,208 metres being completed. A summary of the drill hole collar information is in Table 4 below and drill hole locations are shown on Figures 4 and 5.

The Soma program delivered encouraging results, with all holes intersecting the Gardiner Sandstone / Killi Killi Formation unconformity, and further follow-up drilling planned for 2011. The results from Soma, coupled with the results from 2009 drilling, have confirmed a large target for high grade unconformity-related uranium mineralisation. Northern Uranium has identified a target of 8km strike length, which has had just two drill traverses across its entire extent.

Drilling at The Don has failed to replicate the historic uranium results from this prospect, but the program has returned some significant gold intersections which will warrant further follow up in 2011.

The Don:

Geological mapping at The Don prospect identified outcropping secondary uranium mineralisation (autunite) adjacent to the historical discovery hole BIR-001 (see Figure 5) and the Don Fault. The drilling program was designed to test the Don Fault system, a VTEM conductor and mineralisation intersected in historical drilling. A total of 12 holes were completed (GR001-GR012) for 2,416 metres

Several anomalous intervals (>100ppm eU_3O_8) were detected by the downhole gamma probing, mostly related to graphitic mudstone units within the Lower Proterozoic Killi Killi Formation. No anomalous uranium results or alteration were intersected at or near the Gardiner Sandstone and Killi Killi Formation unconformity. The highest gamma logging result (458ppm eU_3O_8) was encountered in hole GT010 at a depth of 80.9m and is also associated with graphitic mudstone. Selected anomalous intervals from the downhole gamma logging were sampled and sent to ALS Laboratory Group for chemical assay. No significant results were returned with hole GT010 containing the best assay of 1m (80-81m) @ 190ppm U.

Table 4 – Gardner Range JV - Drill hole collar details

Hole ID	Prospect	Easting	Northing	Elevation	Total Depth(m)	Azimuth	Dip
GR001	The Don	486773	7871422	479.8	174	180	-55
GR002	The Don	486769	7871476	480.5	190	180	-55
GR003	The Don	486759	7871374	479.8	228	180	-55
GR004	The Don	486487	7871555	476.6	198	180	-55
GR005	The Don	486453	7871604	477.8	204	180	-55
GR006	The Don	487487	7871016	488.3	210	180	-55
GR007	The Don	487480	7871069	485.7	204	180	-55
GR008	The Don	487473	7871105	484.4	168	180	-55
GR009	The Don	486456	7871607	483.2	198	0	-90
GR010	The Don	487462	7871217	483.2	234	180	-50
GR011	The Don	487076	7871328	481.6	192	180	-50
GR012	The Don	487075	7871339	481.8	216	0	-90
GR013	Soma	487080	7868624	501.5	204	0	-90
GR014	Soma	487083	7868523	501.6	204	0	-90
GR015	Soma	487077	7868724	503.6	186	0	-90
GR016	Soma	487080	7868422	503.1	198	0	-90

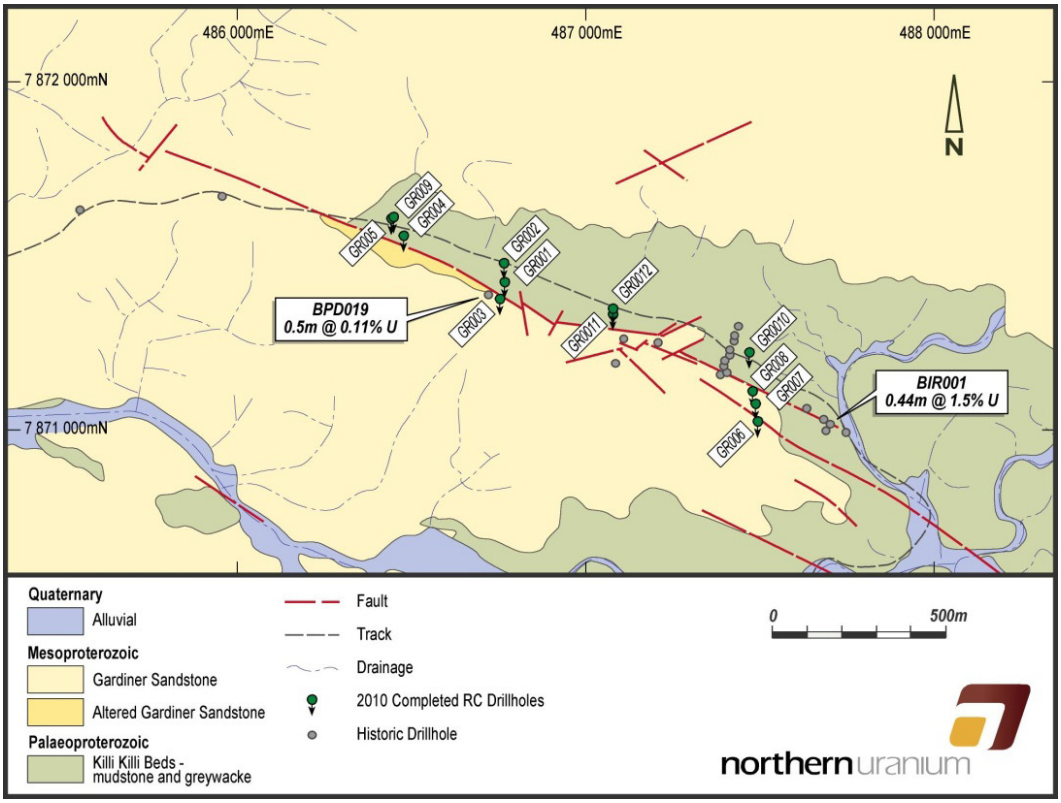
Following the panning of samples from GR001, visible gold was identified over a two metre interval from within the Killi Killi Formation. As a result, all intervals with Killi Killi Formation have been assayed for gold. The most encouraging results have come from GR001 with 2m (36-38m) @1.74ppm Au, which occurs within an anomalous zone of 4m (36-40m) @ 0.95ppm Au. This mineralisation is in proximity to the interpreted position of The Don fault system, which can be traced from the historical drill hole BIR001(reported as 0.44m @ 1.5% $U_3O_8$and 1.7ppm Au) to the west-northwest for 1.5km. The 2010 RC Drill traverses are over 300m apart, thus follow-up drilling will be required in 2011 to test the area around GR001 and specifically targeting The Don Fault. The table below (Table 5) shows all anomalous Au assay results (>0.1g/t Au) for the Don and Soma prospects.

Table 5 – Gardner Range JV RC drilling - Significant Au assay results (>0.1g/t Au)

Hole Id	Northing	Easting	From (m)	To (m)	Interval (m)	Au (ppm)	Comments
GR001	7871422	486773	33	34	1	0.46	Hematite altered Killi Killi
GR001	7871422	486773	36 Inc. 36	40 38	4 2	0.95 1.74	As above
GR001	7871422	486773	139	141	2	0.26	Killi Killi with quartz veins
GR001	7871422	486773	142	143	1	0.12	Killi Killi
GR002	7871476	486769	144	145	1	0.50	Killi Killi mudstone
GR003	7871374	486759	119	121	2	0.37	Killi Killi siltstone and Quartz vein
GR003	7871374	486759	190	192	2	0.17	Killi Killi silicified siltstone
GR003	7871374	486759	203	204	1	0.18	
GR005	7871604	486453	115	117	2	0.18	
GR006	7871016	487487	96	97	1	0.12	Killi Killi mudstone
GR007	7871476	486769	103	105	2	0.39	Sandstone
GR010	7871604	486453	25	26	1	0.16	
GR010	7871604	486453	105	107	2	0.20	
GR010	7871604	486453	125	126	1	0.42	Killi Killi Fmn
GR010	7871604	486453	132	133	1	0.29	Killi Killi Fmn
GR012	7871339	487075	17	18	1	0.13	
GR014	7868523	487083	89	90	1	0.15	
GR016	7868422	487080	131	132	1	0.44	Killi Killi mudstone
GR016	7868422	487080	138	140	2	0.33	
GR016	7868422	487080	141	142	1	0.11	

The uranium results have downgraded the potential for the discovery of unconformity-related uranium mineralisation at the Don prospect. No further uranium drilling is planned at the Don prospect in the near term.

Figure 4 – The Don Prospect - Geology and structure, showing 2010 RC drill holes (GR001 – 012) and historical drilling



Soma:

One fence of four vertical holes was drilled across the interpreted position of a strike extensive and intense VTEM conductor (see Figures 5 & 6 below). The drill line was also coincident with a subtle airborne radiometric anomaly (uranium, potassium and thorium all weakly anomalous). A total of 4 holes (GR013-016) for 792 metres were completed. Holes were between 186m and 204m deep and all intersected the Gardiner Sandstone/Killi Killi Formation unconformity. GR013 encountered a graphitic and sulphidic unit from 153m to 204m (EOH). The adjacent hole (GR014) also encountered significant graphitic units from 125m to 204m (EOH). Only minor downhole gamma anomalies were encountered in the drill holes at the Soma. The geological interpretation indicates that the source of the VTEM conductor was intersected (graphitic shales/mudstones) and that the Gardiner Sandstone/Killi Killi Formation unconformity is vertically offset by several faults (see Figure 6 below). Given the limited drilling that has occurred on the Soma target area (the diamond drilling completed in 2009 is located over 4km to the west of the 2010 drill traverse), the target still remains poorly tested. The VTEM conductor target is over 8km in strike length with only two drill traverses across its entire extent. The 2009 diamond drilling at the Soma intersected strong argilisation and bleaching overprinting a 25-50m thick zone of intensely hematised Killi Killi Formation in close proximity to the unconformity. This style of alteration is considered significant, but was not encountered in the 2010 RC drilling at the Soma, thus follow-up drilling in 2011 will most likely be focused on the western end of the VTEM anomaly, around the area of the 2009 drilling.

Figure 5 – Soma and The Don Prospects - Geology and structure, showing 2010 RC drill holes

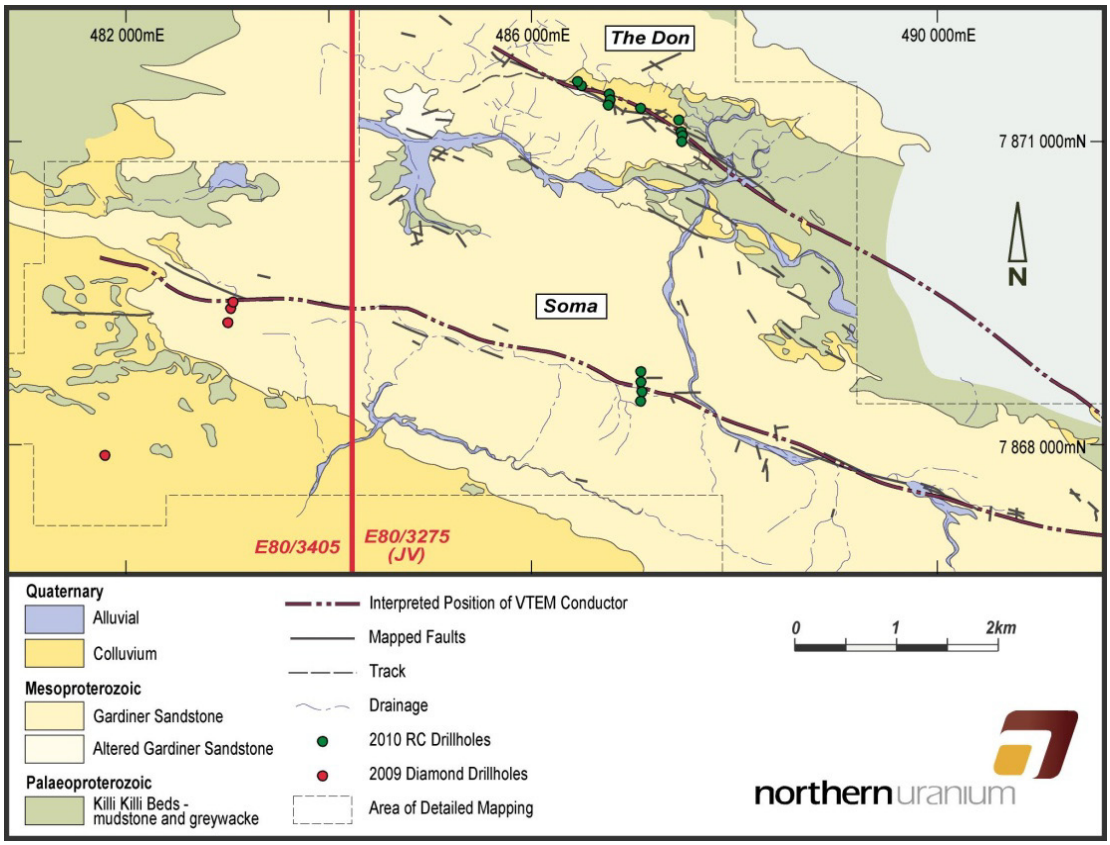
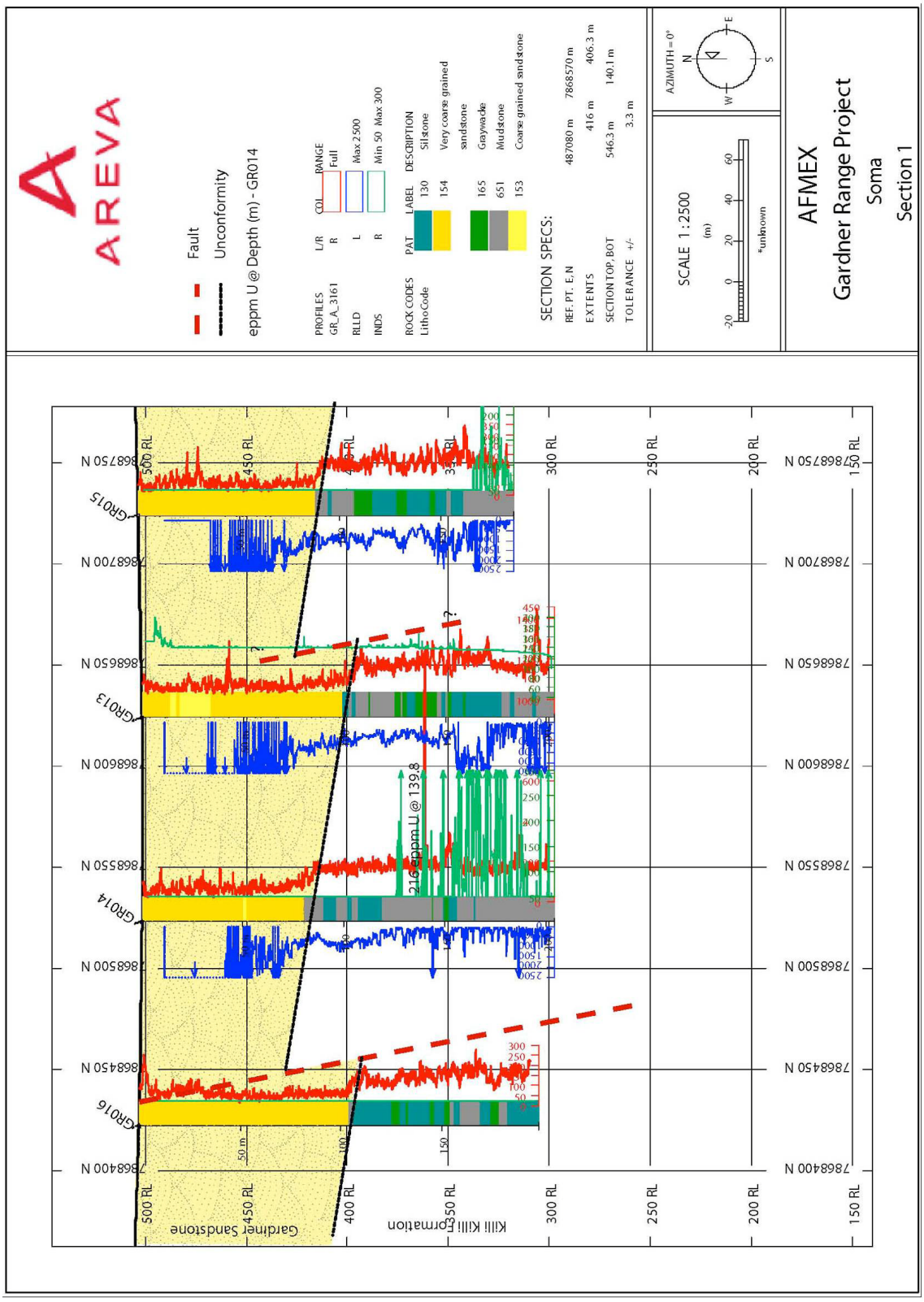


Figure 6 – Soma Prospect – RC drill section and geological interpretation



Future Work

The Company is currently developing its work program for 2011. Further drilling targeting unconformity-related uranium is planned for the Soma prospect, as well as the untested prospects at Oracle, Mt.Mansbridge North, Mt.Mansbridge South and Deva.

In addition, closer spaced drilling is planned at The Don prospect in order to follow-up on the anomalous gold intersections from the 2010 drilling program. The initial gold results were encouraging and warrant further testing, particularly as the project lies within the Tanami-Arunta region of WA and NT which is considered one of the last remaining under-explored provinces in Australia capable of hosting multi-million ounce gold deposits. An expanded gold exploration program is likely to be implemented in the vicinity of The Don and specifically targeting The Don Fault structure. This program is likely to include geochemical soil sampling, geological mapping rock chip sampling and drilling.

CORPORATE

Acquisition of Ferrum Crescent portfolio

During the quarter, Northern Uranium also announced it has expanded its landholding in northern Australia, with the acquisition of 6,690km^2 of exploration ground, following the completion of the transaction announced on 29 October 2010 with Ferrum Crescent (ASX: FCR).

The acquisition gives the Company the rights to explore for **all minerals** (not just uranium as was previously the case) on the extensive tenement package (except for E70/2719 & E70/2720 where iron ore is excluded) and significantly expands the Company's Rare Earths potential.

A significant part of the landholding is immediately adjacent to Northern Uranium's Browns Range project, where the Company has identified the occurrence of high grade Heavy Rare Earth Elements (HREE), and the Gardiner-Tanami uranium project. Northern Uranium had previously acquired the uranium rights to these tenements, which represent all of Ferrum Crescent's Australian mineral exploration interests, as part of its Initial Public Offer (IPO) tenement package. However, until now, the rights to other minerals were excluded.

Under the terms of the acquisition, which was subject to due diligence and applicable third party consents (in relation to the non-Gardiner-Tanami tenements) Northern Uranium has paid $575,000 for the tenement package. Ferrum has advised it has sold its Australian interests in order to focus on its iron ore interests in Africa.

Change to Strategic Alliance

In December, Northern Uranium announced a number of significant developments to reflect the evolution of the company into a multi-commodity exploration vehicle and to better position it to capitalise on its expanded mineral portfolio. The changes follow the development of its REE portfolio, and the expansion of mineral interests around its flagship Gardiner Tanami project.

Northern Uranium has now acquired the pre-emptive rights for all minerals, other than uranium, from its strategic partner Areva, and agreed a number of changes to operational elements of its Strategic Alliance agreement which will enhance the company's ability to aggressively drive value for its shareholders. In consideration for these changes, the Company has agreed to make a one-off payment of $500,000.

It has also formed a new alliance arrangement with Areva, through which Northern Uranium will operate all exploration programs in 2011/12. Previously, the uranium exploration program at Gardiner-Tanami had been operated by Areva's subsidiary Afmex. From 2011, Northern Uranium will operate the exploration program over all projects, including Gardiner-Tanami and Browns Range. Areva remains a strategic partner in the Gardiner-Tanami project.

Name change

Following these developments, the Company has put forward a proposal to change its name to Northern Minerals Limited, to reflect growth and diversity of mineral portfolio. The proposal will be put to the shareholders at a general meeting to be held on the 2nd of February 2011.

Capital raising completed

In October, Northern Uranium completed a renounceable rights issue to raise funds for its ongoing uranium and rare earth exploration. Upon completion, the Company raised $9.5 million which included $7.4m from the rights issue which closed with 96% acceptances. Existing shareholders received entitlements of approximately 44.5 million shares or 96% of all shares on offer. The remaining two million shares (or 4%) were taken up by the Underwriter and Lead Manager to the Issue, Patersons Securities Limited.

In addition to the amount raised from the rights issue, the Company received approximately $2.1m from the conversion of listed options, which brought the total amount raised by the Company to $9.5 million.

About Northern Uranium

Northern Uranium Limited (ASX: NTU) is a mineral exploration company with a focus on high grade uranium and Rare Earth Element (REE) projects in Western Australia and the Northern Territory.

Its Gardiner-Tanami project and Gardner Range JV comprises 10,500km^2 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 project area is considered geologically similar to Canada's Athabasca Basin, host to the world's highest-grade unconformity-related uranium deposits.

Northern Uranium has identified high value xenotime and heavy rare earth elements (HREE) at its Browns Range project. The nature of the mineralisation, the high value nature of the HREE distribution and the surging global market for REE make the Borwn Range project particularly exciting. The Company has also recently expanded its REE portfolio in the region with the acquisition of the John Galt project, and the purchase of 6,690km^2 adjacent exploration land Ferrum Crescent (ASX: FCR) with REE potential.

The Company has a fully funded exploration program for 2011 testing both uranium and REE targets. It will also follow-up potential gold and base metal discoveries from previous drilling programs. The Company's management team includes significant resource development experience, with specific expertise in the exploration, development and marketing of REE.

For more information:

Contacts:

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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.