



Quarterly Report March 2011

Highlights

RARE EARTHS

- John Galt historical drilling data study confirms high concentrations of Heavy Rare Earth Elements (HREE)
- Best historic drilling results include*:
 - 2.05m @ 5.98% TREO from 6.50m
 - 3.90m @ 6.30% TREO from 9.10m
 - 3.48m @ 3.48% TREO from 102.60m
 - 9.80m @ 1.58% TREO from 6.35m
- HREE constitutes 94% of TREO of which 67% is Yttrium and 9% is Dysprosium*
- International prices continue to increase, driven by supply sustainability issues, particularly for HREE
- Geophysics survey to commence at John Galt in April
- Drilling program planned for Browns Range to commence in May

URANIUM

- Successfully earned a 60% interest in the Gardner Range Joint Venture after meeting the \$1 million exploration commitment
- Priority targets for high grade unconformity-related uranium identified at Gardner Range JV and Gardiner-Tanami Project
- Drilling program to commence in Q3 2011 at Soma, Mt.Mansbridge and Deva

CORPORATE

- Renamed to Northern Minerals to reflect growing suite of mineral assets, and HREE focus
- Appointment of Dudley Kingsnorth as Non-Executive Director, adding significant REE expertise to the Board

**TREO – Total Rare Earth Oxide as calculated by the previous explorer using what was termed the “Yttrium Ratio Method”. In the original work on samples of John Galt Main Zone mineralisation it was found that after assaying for a suite of REE a consistent ratio existed between the total rare earth content and the yttrium content. By assaying the yttrium (Y) content of each sample using XRF techniques it is possible to estimate the total rare earth content, based upon that consistent ratio between Y and TREO. It should be noted that it was estimated that the accuracies range from +/- 15% for high concentrations and +/- 20% for low concentrations.*

Company Information

Northern Minerals 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
 Dudley Kingsnorth Non-executive Director
 MANAGEMENT
 Robin Wilson Exploration Manager
 Simon Storm Company Secretary

REGISTERED & PRINCIPAL OFFICE:
 Unit 10, Level 2, 12-14 Thelma Street
 West Perth WA 6005
 AUSTRALIA

PO Box 669
 West Perth WA 6872
 AUSTRALIA
 Telephone: +61 8 9481 2344
 Facsimile: +61 8 9481 5929
 Email: info@northernminerals.com.au

STOCK EXCHANGE LISTING
 Australian Securities Exchange
 ASX CODE: NTU
 Home Branch: Perth
 2 The Esplanade,
 Perth WA 6000

Current shares on Issue 170,828,345
 Market Capitalisation \$171 million
 12 month Share Range \$0.06 - \$1.07

For personal use only

EXECUTIVE SUMMARY

Northern Minerals entered a new phase of development during the past quarter, with a change of name to better reflect the Company's expanded and growing suite of mineral assets. The change from Northern Uranium to Northern Minerals was approved at the Extraordinary General Meeting held in February.

The name change and recent operational milestones reflect the Company's more diverse minerals portfolio, and in particular, an increased focus on Rare Earth Elements (REE). The Company has strengthened its Board and Management team with additional expertise in REE, and has committed a significant portion of its 2011 exploration budget to advancing its exciting REE projects.

A study of historical drilling results at the John Galt project confirmed high concentrations of HREE in xenotime mineralisation, with a similar distribution to that identified by the company at the Browns Range project. The results (announced after the reporting period on 5 April) highlighted the development potential of John Galt.

Also in early April, the Company announced the appointment of REE expert Dudley Kingsnorth as a non-executive director. Mr Kingsnorth was previously advising Northern Minerals in a consulting capacity (and will continue to do so), and the Board regards his appointment as a Director as a strong endorsement of the Company's REE assets, and its exploration and development strategy.

Turning to uranium, another milestone achieved throughout the quarter was the successful earn-in to a 60% interest in the Gardner Range Joint Venture. The milestone was reached after spending in excess of \$1 million on exploration of the joint venture area. Exploration to date has identified a number of priority targets for high grade unconformity-related uranium, as well as encouraging gold intersections, which will be followed up with drilling programs in the third quarter of the year.

During the quarter the international uranium industry was placed under scrutiny following the earthquake and tsunami in Japan, and the resultant damage to Japan's Fukushima nuclear power plant. The earthquake and tsunami have been devastating for the people of Japan, and Northern Minerals shares the uranium industry's concerns about the impact of the partial destruction of the Fukushima plant, which have so far been reasonably contained. Whilst Northern Minerals immediate focus is on its REE assets, the Company has an ongoing uranium exploration program, and believes that modern nuclear power has a significant role to play in meeting the world's long term energy requirements.

With an expanded management and geological team and a strong cash position, the Company has an aggressive exploration program planned for the coming six months. This will be focussed on the Browns Range and John Galt REE assets and will include drilling, geophysical surveys, mapping, rock chip sampling, geochemical soil sampling and metallurgical studies. The Company will also continue its uranium drilling campaign at the Gardner Range JV/Gardiner-Tanami Project, and will also follow up on encouraging gold intersections from drilling last year.

OPERATIONS

RARE EARTH ELEMENTS

John Galt

A focus of the exploration team during the quarter has been the analysis of historical data from the John Galt Project. As announced on April 5 the data confirms the dominance of high value, HREE, and will help fast-track exploration and development at the project. REE prices continue to surge and significant world supply shortages loom for HREE (see REE market update below).

The John Galt project is in the East Kimberley region of northern Western Australia, and was acquired by Northern Minerals last year as part of its REE portfolio expansion. Historical exploration work in the 1970s identified xenotime hosted REE mineralisation at three different zones, of which only one was drilled.

The John Galt Main Zone was partially explored in 1973 with nine diamond drill holes (total 503m) returning intercepts of up to 17.9% TREO (see Table 2 below). Assessment of assay data from both rock chip and drill core samples which were assayed for a suite of REE shows the presence of high value HREE, including an average 67% Yttrium and 9% Dysprosium of TREO. The average HREE content of the TREO is 94%*.

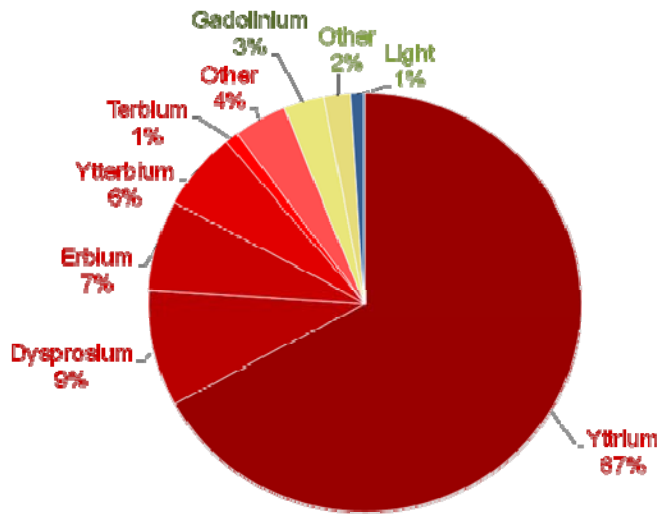
The historical exploration has provided important insights into the potential for HREE mineralisation within the John Galt project area, although much of the area remains untested. The drilling results are from only one of three mineralised zones, and the next step is to undertake further exploration to define the extent of mineralisation at all three known zones.

The high concentration of HREE is particularly important, given the global shortage of supplies of heavy rare earths, and the fact that the vast majority of expected near term new rest of world rare earths production is light REE. The distribution of heavy rare earths is similar to that identified at the Company's Browns Range project southeast of John Galt.

The Company's proposed work program includes airborne geophysical surveys, ground based mapping and sampling, and drilling.

For personal use only

John Galt Distribution of Rare Earth Elements*



*Based on average of mineralised drill hole samples + surface sampling + 20 ore samples before concentration from John Galt Main Zone

Heavy	94%
Medium	5%
Light	1%

John Galt historical exploration

Historical ground radiometric surveys, rock chip sampling and trenching identified xenotime hosted mineralisation at three different zones, referred to as John Galt Main Zone, Gadolin (formerly named Second Vein) and Ytterby (formerly named Third Vein) (see Figure 1 & 2). The three zones are each located approximately 600m apart, with rock chip sampling returning assays between 5.5% and 53.5% TREO*.

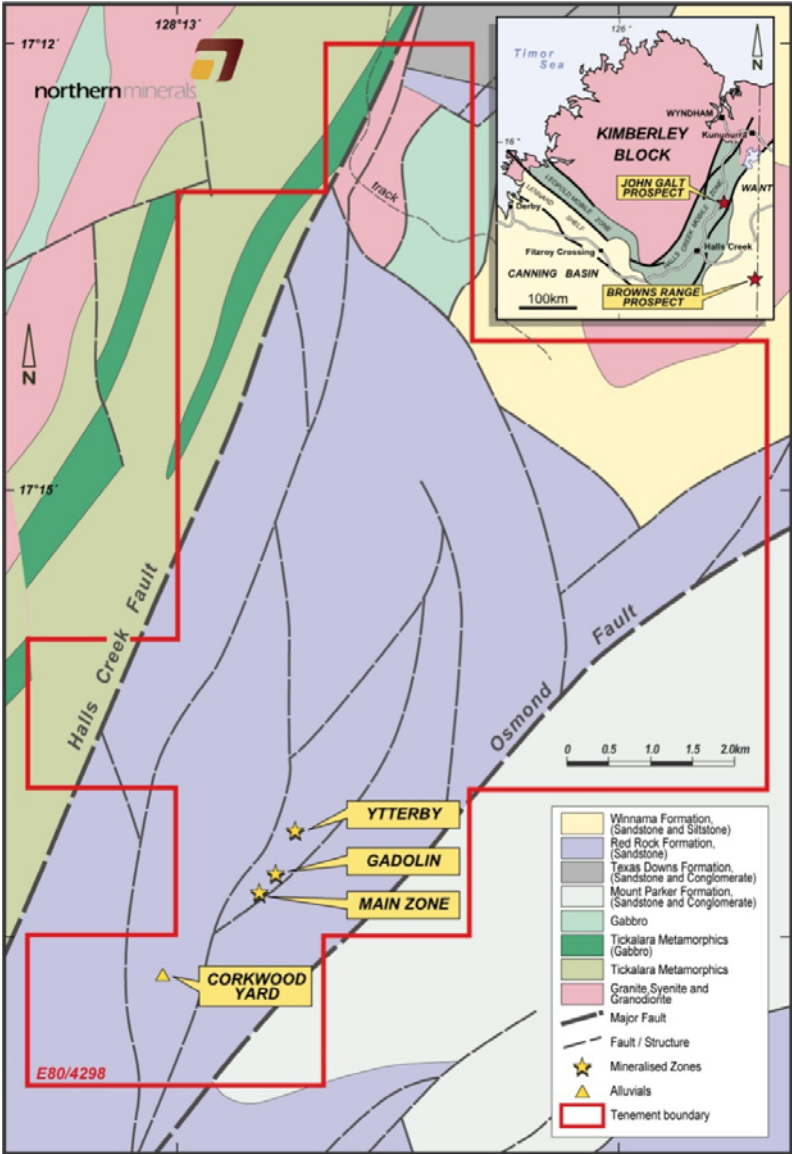
The xenotime vein zone at Gadolin (600m NE of John Galt Main Zone) was traced through discontinuous anomalous lenses over 140m with rock chips returning assays up to 17.6% TREO*. Three radiometrically anomalous zones extend over 360m along a N-S trending fault at the prospect. A strong radiometric anomaly remains open along strike of the high grade rock chips. A third xenotime mineralised zone occurs at Ytterby with rockchips up to 6.3% TREO*, approximately 1200m northeast of the John Galt Main Zone.

The only other recorded significant exploration in the area since the drilling program was in 1987, when reconnaissance regional stream sediment sampling identified two possible alluvial REE targets and one other possible primary source. Bulk testing programs for rare earths were conducted at the

For personal use only

Corkwood Yard alluvials target, located 1.5km to the south of John Galt. Anomalous Yttrium values (up to 135ppm) were recorded in stream sediment samples from separate catchment areas to north of John Galt, and possibly originating from a different primary REE source

Figure 1 - John Galt Prospect location and geology



For personal use only

John Galt Main Zone Historical Drilling

The nine hole (for a total of 503m) helicopter supported diamond drill program was completed on part of the John Galt Main Zone mineralisation in 1973 by a Joint Venture comprising MM Exploration (MMEX) and Uranerzbergbau GmbH (UEB). A series of fanned-out holes were drilled from just two drill sites approximately 7m apart. All drill holes intersected one or more mineralised sections (see Table 1 & 2, and Figures 3 & 4 below).

Mineralised intercepts assayed up to 17.9% TREO (using the “Yttrium Ratio method” referred to above – see Table 2 below). All individual REO samples returned below detection Thorium. Downhole gamma logging successfully identified mineralised intervals in all nine holes, including a further intersection on DH2 where core recovery was poor between 17.30 and 20.55m. This indicates that there is a consistent relationship between the presence of uranium and xenotime. Several other anomalous radiometric zones were not assayed (DH5 ~ 22-23m, DH8 ~ 25-30m). To calculate the intercepts a 0.5% TREO cut-off and a maximum internal dilution of 2m was applied.

Xenotime mineralisation intersected in the drill holes is associated with grey quartz veins and is either interstitial or forms thin veins or pods within the quartz veins. Xenotime mineralisation near to the surface are mostly bound to breccia-like structures, which generally result in higher grade mineralisation, whereas in deeper drillhole intercepts the xenotime is typically bound to vein structures.

Table 1 - Drill collar information from historical data
 (locations digitised from historical maps, accuracy estimated at +/- 200m)

Hole ID	Easting*	Northing*	Azimuth	Inclination	Total Depth (m)
DH1	417651	8087513	220	-60	30.78
DH2	417651	8087513	40	-69	39.62
DH3	417651	8087513	110	-67	60.96
DH4	417645	8087515	290	-60	29.57
DH5	417645	8087515	150	-63	56.08
DH6	417645	8087515	333	-66	49.68
DH7	417645	8087515	0	-90	47.85
DH8	417651	8087513	132	-81	135.94
DH9	417651	8087513	132	-66	51.82

*None of the collars have been ground-truthed
 Datum:GDA94 Zone 52

Browns Range

Northern Minerals is planning to commence a drilling program at its Browns Range project, located southeast of John Galt, in mid May (subject to weather). Last year the Company announced positive results from its soil sample and preliminary metallurgical testing programs at Browns Range, which identified xenotime mineralisation with a dominance of HREE. The 2011 Browns Range drilling program has been delayed by about four weeks due to the extreme wet weather conditions experienced in northern Australia during Quarter 1.

For personal use only

The REE Market

International prices for Rare Earth Elements have increased again in the first quarter of 2011, driven by increasing questions about the sustainability of supply, particularly for Heavy Rare Earth Elements. The development of alternative sources of rare earths supply to China remains the focus of the Rest of World (ROW) consumers. Supply uncertainty has been fuelled by a number of recent decisions within China, including an increase in resource taxes and the announcement of 2011 production quotas which are inadequate to meet both Chinese and ROW demand this year. These developments have further increased the already inflated prices.

There is some comfort from the fact that during the next 2-3 years, the Mt Weld and Mountain Pass Projects come on-line and non-Chinese supply will increase tenfold from 4,000 - 6,000tpa REO to 50,000 - 60,000tpa REO.

However, while the ROW will be able to meet 60-80% of its light rare earths needs, it will remain seriously deficient in the supply of heavy rare earths. Given the time required to bring a new rare earths project on line, the Industrial Minerals Company of Australia (IMCOA) believes that ROW will be able to meet only 10% (at best) of its heavy rare earths needs in 2015.

Rare Earths Group	Supply			
	2010		2015 ¹	
	China	ROW	China	ROW ²
Lights (La, Ce, Pr and Nd)	94%	6%	67%	33%
Mediums (Sm, Eu and Gd)	97%	3%	89%	11%
Heavies (Tb, Dy, Er and Y) <small>(Ho, Tm, Yb & Lu not included)</small>	99.8%	0.2%	96%	4%

Notes:

1. In 2015 ROW demand will be approx 40% of global demand.
2. Assumes ROW maximises Ce supply from ROW

This could have a significant impact on the development of 'green energy' if China maintains its restrictive production and export quota policies. Given positive results from the proposed drilling programs at Browns Range and John Galt, Northern Minerals may well become a key supplier of heavy rare earths in the future.

For personal use only

URANIUM

Gardner Range Joint Venture & Gardiner-Tanami Project

The Gardner Range JV covers an area of 550km² and is contiguous with Northern Minerals' Gardiner-Tanami Project. Collectively, the projects cover more than 10,000km² and are the focus of the Company's uranium exploration activities.

During the quarter, planning of the uranium exploration program has been on-going with the priority being the finalization of plans for the 5000m drilling program at the Soma, Mt.Mansbridge North, Mt.Mansbridge South and Deva Prospects. The drilling is planned to commence in Q3 following the completion of aboriginal heritage surveys.

In addition, a comprehensive review of historical gold exploration data from the area is underway. This will lead to the development of gold exploration targets and a gold-focused exploration program, which will include follow-up of the gold mineralisation intersected in drilling at The Don prospect in 2010.

Gardner Range Joint Venture Earn-in Milestone

During the quarter, the Company successfully earned a 60% interest in the Gardner Range Joint Venture with Manhattan Corporation (ASX: MHC), following the completion of recent exploration programs. The Company achieved the earn-in milestone after spending in excess of \$1.05 million on exploration on the joint venture area.

Gardner Range has been the focus of Northern Minerals' uranium development program, and the Company has identified a number of priority targets for high grade unconformity-related uranium. It has a significant exploration program in place for 2011 at Gardner Range, with a 5,000 meter drilling program focused primarily at the Soma Prospect in the third quarter.

This follows encouraging results from Soma late last year, where drilling intersected the Gardiner Sandstone / Killi Killi Formation unconformity, and identified an 8km target that has only been lightly tested to date.

In accordance with the Joint Venture agreement, Manhattan has elected not to contribute to expenditures and will now be free-carried to completion of a pre-feasibility study and retain a 20% interest

CORPORATE

Rebranding to Northern Minerals

During the quarter, the Company's growing suite of mineral assets, including potentially high value rare earths projects, was recognised with successful transition to the name "*Northern Minerals*". The resolution was passed at the Extraordinary General Meeting held on 2 February 2011.

The Company had been considering the need to re-brand the business for some time, particularly given the recent restructure of its alliance agreement with strategic partner Areva and the acquisition of all mineral rights to 4,613km² of additional exploration ground in northern Australia. These developments have provided the Company with increased control over a range of highly prospective mineral assets in addition to its uranium projects.

For personal use only

Appointment of Dudley Kingsnorth

On April 8, Northern Minerals announced the appointment of Mr Dudley Kingsnorth as a Non-Executive Director. Mr Kingsnorth is an international leader in REE, with more than 20 years experience in the development, evaluation and marketing of REE projects. He has been consulting to Northern Minerals on the development of its REE projects in northern Australia for the past 12 months and has a contract covering these specialist services until the end of November 2012.

The appointment is a further boost to the Company's REE credentials, and the Board regards the appointment as strong endorsement of its REE assets and its exploration and development strategy.

Mr Kingsnorth's REE experience includes Managing Director of IMCOA, and editor for the last three Roskill REE Reports. Mr Kingsnorth has also been involved at a Board and management level with a number of ASX-listed resource exploration and development companies, and is currently Non-executive Chairman of iron sands developer Amex Resources.

Option Conversions

During the quarter, \$1.17m was received from the conversion of both listed and unlisted options.

Phosphate Assets

During the quarter, PCF Capital was engaged to assist Northern Minerals divest the phosphate portfolio in the Northern Territory. During March indicative offers were made and a short list was developed to conduct final negotiations. Final Offers close on 15 May and will be presented to the Board for final decision.

About Northern Minerals

Northern Minerals Limited (ASX: NTU) is focused on exploration and development of rare earth elements (REE) and uranium, with a large and prospective landholding in Western Australia and the Northern Territory.

The Company has identified high value, heavy rare earth elements (HREE) at its Browns Range project. The discovery is particularly significant due to the nature of the mineralisation (xenotime), and the strong global demand and price for the HREE it contains. Northern Minerals currently has fully funded HREE exploration programs underway at Browns Range and the geologically similar John Galt project.

Northern Minerals uranium program is focused on the Gardiner-Tanami project and Gardner Range JV, which comprise 10,500km² on the WA-NT border. Exploration is focused on high grade unconformity-related uranium targets. The area is compared favourably to 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.

Northern Minerals also holds phosphate projects in the NT, for which it is currently pursuing options for development or divestment. For more information, visit www.northernminerals.com.au

For more information:

Name	Company	Contact
George Bauk	Managing Director Northern Minerals Limited	+61 8 9481 2344

For personal use only



Table 2 – John Galt – Significant historical drill intercepts
(using 0.5% TREO cut-off and 2m maximum internal dilution)

Hole ID	from (m)	to (m)	Interval (m)	%TREO	Yttrium	Dysprosium
DH1	6.50	8.55	2.05	5.98		
including	7.05	7.70	0.65	17.90	68.0	8.9
DH2	9.10	13.00	3.90	6.30		
including	9.10	10.55	1.45	14.00	68.6	9.0
and	12.10	13.00	0.90	4.76		
	23.30	25.40	2.10	1.25		
DH3	12.90	16.65	3.75	1.20		
including	12.90	14.10	1.20	2.10		
and	16.20	16.65	0.45	4.40		
also	22.80	23.75	0.95	0.70		
also	59.45	60.35	0.90	5.50	69.4	8.2
DH4	2.60	6.45	3.85	0.77*		
including	2.60	2.85	0.25	1.10		
and	5.75	6.45	0.70	3.50		
DH5	20.40	20.92	0.52	6.90	68.8	8.9
DH6	8.05	8.50	0.45	1.50		
DH7	5.70	6.25	0.55	6.00	70.7	10.3
also	20.50	22.80	2.30	5.03		
including	21.65	22.20	0.55	10.80	68.3	9.3
DH8	4.45	4.92	0.47	10.60	68.7	9.0
also	14.42	17.05	2.63	0.91		
including	14.42	14.82	0.40	4.50	67.4	8.9
also	83.10	83.85	0.75	0.80		
also	102.60	106.08	3.48	3.48		
including	102.60	103.40	0.80	1.10		
and	104.30	104.72	0.42	1.40		
and	105.40	106.08	0.68	15.40	68.3	8.6
DH9	1.40	1.85	0.45	0.90		
also	6.35	16.15	9.80	1.58		
including	6.35	6.85	0.50	3.40		
and	7.20	8.10	0.90	7.64		
and	9.50	9.80	0.30	3.60	68.5	9.1
and	10.85	11.40	0.55	5.60	68.2	8.9
and	12.70	13.10	0.40	2.30		
and	14.00	14.35	0.35	2.90		
	26.20	28.42	2.22	0.56		

* Mineralised interval - not assayed completely

All TREO values
calculated using
Yttrium Ratio Method

Yttrium and
Dysprosium
values are a
% of TREO

*TREO – Total Rare Earth Oxide as calculated by the previous explorer using what was termed the “Yttrium Ratio Method”. In the original work on samples of John Galt Main Zone mineralisation it was found that after assaying for a suite of REE a consistent ratio existed between the total rare earth content and the yttrium content. By assaying the yttrium (Y) content of each sample using XRF techniques it is possible to estimate the total rare earth content, based upon that consistent ratio between Y and TREO. It should be noted that it was estimated that the accuracies range from +/- 15% for high concentrations and +/- 20% for low concentrations

For personal use only

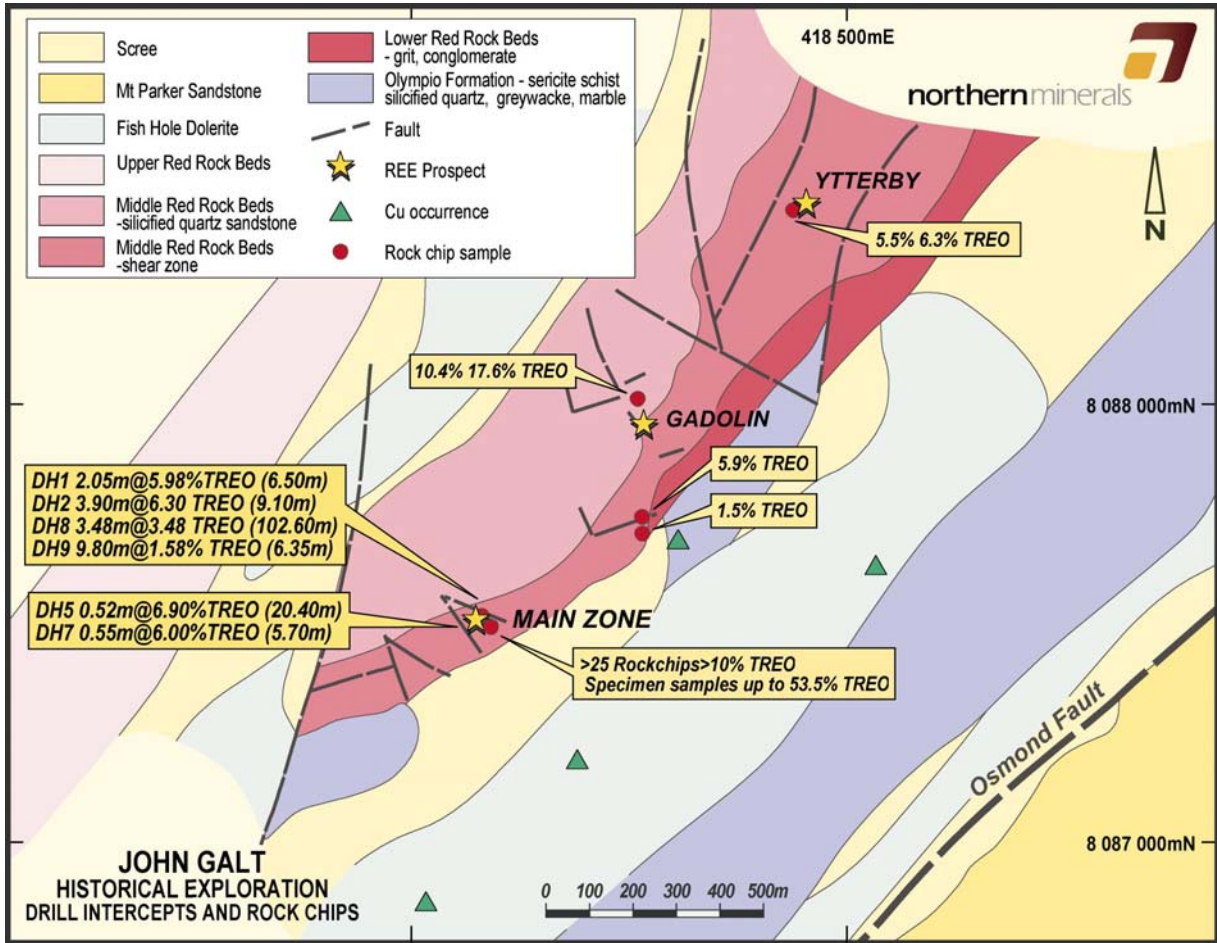


Figure 3 – John Galt project – Plan view of historical drilling

For personal use only

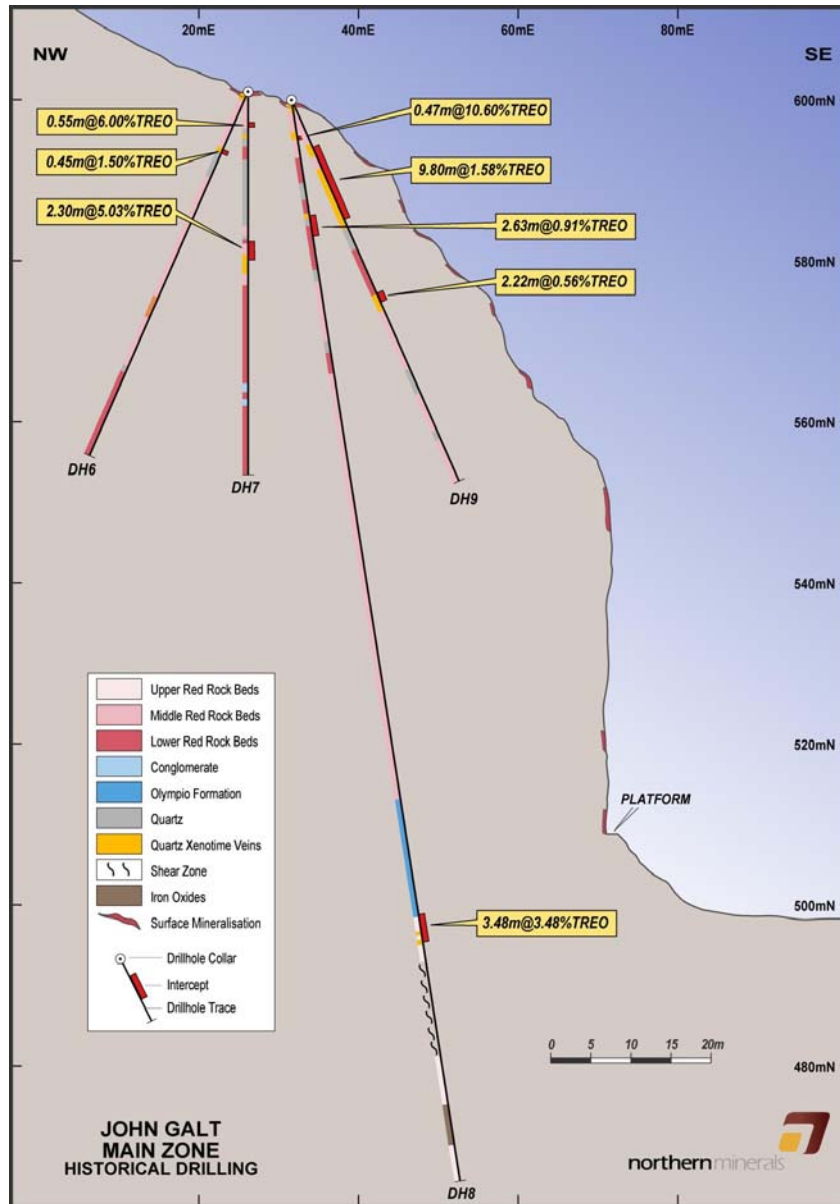


Figure 4 – John Galt Main Zone Drill Section A – A' (looking north east)

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

For personal use only