Letter to Shareholders – Company Update
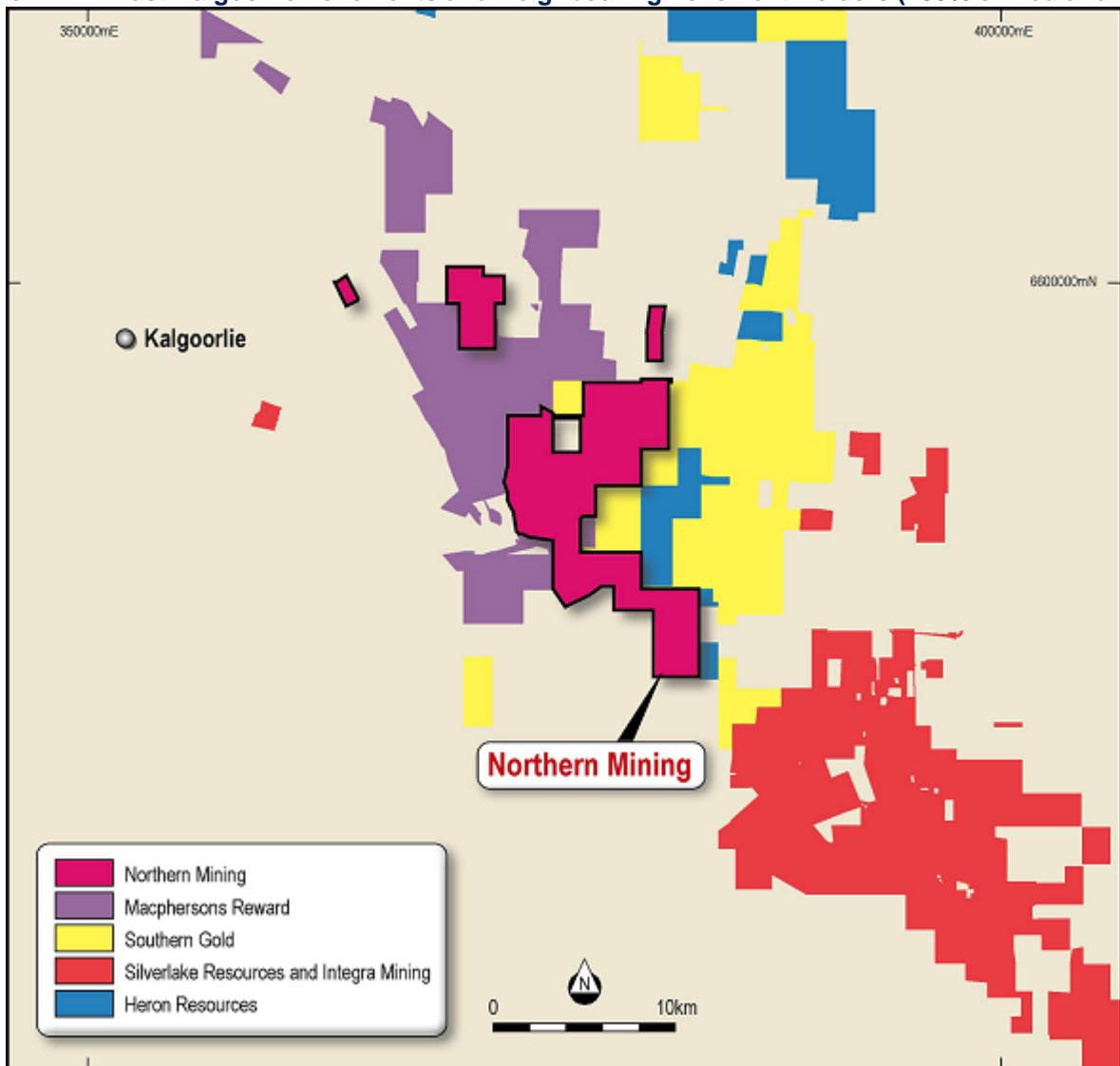
Dear Shareholder

Further to the dispatch of the Company's Prospectus for a Renounceable Rights Issue, the Board of Northern Mining Limited (NMI) is pleased to provide you with a brief Company update, including a current map of its East Kalgoorlie Project tenements in Western Australia.

The map (Figure 1 below) shows the strategic location of the tenements in relation to those held by surrounding producers and emerging producers in this region.

Northern Mining is committed to unlocking the full potential of this exciting Project in this gold rich region and to date, continuing exploration success has attracted several enquiries with regard to our intentions for the Project.

From the proceeds of the rights issue (fully subscribed circa $2.7 million) NMI has budgeted 35,000 metres of diamond, reverse circulation and rotary air blast drilling on its tenements outlined in Figure 1. The Company believes that there is excellent potential for further exploration success within these tenements (*refer to the review of operations section in the Company's 2012 Annual Report (ASX:NMI) for details of exploration carried out in 2011/2012*).

Figure 1: NMI East Kalgoorlie Tenements and Neighbouring Tenement Holders (100% owned and in JV)

After completion of the current rights issue, based upon the 2 cents issue price of the new shares and on a fully subscribed basis, NMI will be in a very strong position with a capitalisation of only $8 million, $2.5 million cash in the bank and no debt.

On behalf of the Board of NMI, please consider carefully the contents of this letter and I look forward to your continuing interest in the Company.

Alan Lockett
Executive Chairman
Northern Mining Limited