

ASX ANNOUNCEMENT
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Joint Venture with Toro Energy Limited expands Northern Minerals' Heavy Rare Earth Elements (HREE) Exploration Land Position at Browns Range.

Highlights:

- **Heads of Agreement (HoA) for Joint Venture with Toro Energy to earn up to 80% interest in mineral rights other than uranium in Toro's Browns Range Northern Territory tenements**
- **Tenements adjacent to Northern Minerals Browns Range HREE project, further consolidating a strong land position in the highly prospective region**
- **Terms of HoA include an initial earn-in of 51% by expenditure of \$4 million over three years, with option to increase up to 80% by further expenditure of \$2 million and completion of DFS**

Northern Minerals (ASX: NTU) is pleased to announce it has signed a Joint Venture Heads of Agreement (HoA) with Toro Energy (ASX: TOE) to earn up to 80% interest in all mineral rights other than uranium within Toro Energy's Browns Range Northern Territory tenements.

The HoA includes seven tenements comprising 1,403km², adjacent to Northern Minerals Browns Range Project, Western Australia where the Company has identified high grade Heavy Rare Earth Elements and is aiming to be in production by 2015.

The agreement will expand Northern Minerals landholding on the Browns Range Dome, and will form part of the Company's broader HREE exploration and development program in 2012.

Under the terms of the HoA, Northern Minerals will spend \$4 million on exploration over a three year period to earn a 51% interest. Northern Minerals has the option to increase its interest to 70%, by spending an additional \$2 million on exploration over a further two year period. Northern Minerals can elect to complete a bankable or definitive feasibility study to increase its equity to 80%.

Toro will retain all uranium rights on the tenements.

The transaction is subject to due diligence by Northern Minerals and the parties obtaining all necessary approvals.

Northern Minerals Managing Director George Bauk said the decision to acquire the interest in the tenements followed significant exploration success in the region, and complemented the Company's HREE expansion strategy and are looking forward to working with Toro Energy in the Tanami Region within the Joint Venture licenses.

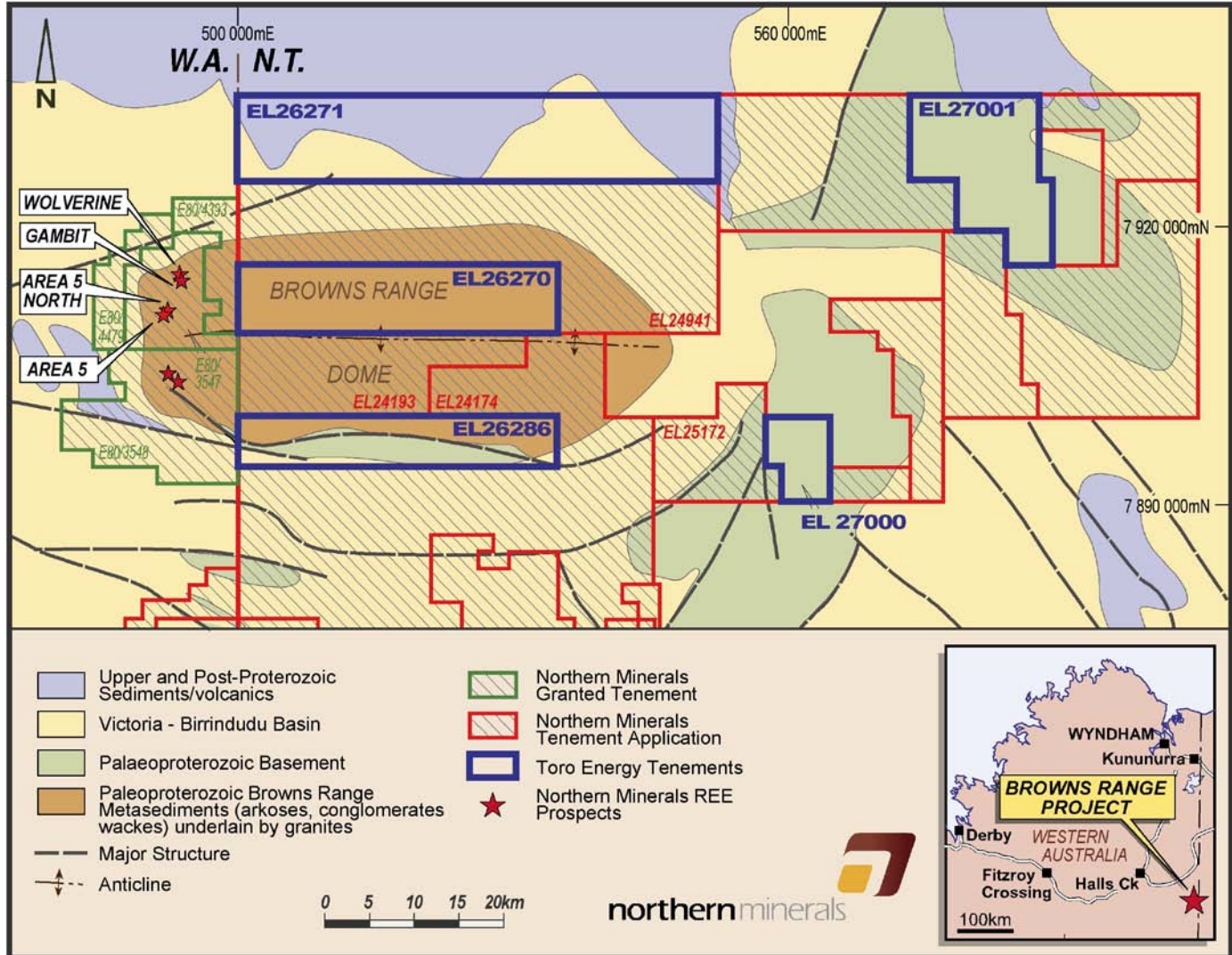
During the past twelve months, Northern Minerals has significantly grown its HREE and other mineral interests in the region, including entering into an option to acquire the John Galt Project near Halls Creek, the re-acquisition of non-uranium mineral rights from Areva in the Gardiner-Tanami Project and the acquisition of Ferrum Crescent's Northern Territory Gardiner-Tanami tenements.

"We are very pleased to have reached this agreement with Toro which gives us a dominant position in the region. It complements our strategy to expand our rare earth portfolio and it further bolsters the already exciting potential of our Browns Range REE Project," Mr Bauk said.

"Our aim is to commence a strategic exploration program across the tenements as soon as possible, and test whether the geological setting identified at Browns Range continues into the NT."

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Mr Bauk said exploration was expected to get underway in 2012, and will commence with airborne surveys over the seven tenements.



For more information:

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About Northern Minerals

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

The Company's leading project is Browns Range, where it has a number of deposits featuring high value, heavy rare earth elements (HREE), in xenotime mineralisation. In particular, the mineralisation includes high levels of dysprosium and yttrium, which are in short supply globally. Following outstanding drill results, the Company is focussed on advancing Browns Range towards production, using a relatively simple and low cost processing flow sheet to produce a high grade concentrate. The Company's strategy is to produce and deliver 3,000 tpa contained HREO in concentrate by 2015. Northern Minerals also has a fully funded HREE exploration program underway at the geologically similar John Galt project.

Northern Mineral's uranium and gold program is focused on the Gardiner-Tanami project and Gardner Range JV, which comprise 10,500km² on the WA-NT border. The projects are located within the Tanami-Arunta region which is a world-class gold province, with several plus million ounce gold deposits. Uranium exploration is focused on high grade unconformity-related uranium targets. The area is compared favorably 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.

For more information, visit www.northernminerals.com.au

