

ASX ANNOUNCEMENT

15 August 2019



\$20 million placement to further strengthen balance sheet

Australian heavy rare earths producer, Northern Minerals Limited (ASX: NTU) (the **Company**) is pleased to announce that the Company has entered into a subscription agreement with Baogang Group Investment (Australia) Pty Ltd (**BGIA**) to raise \$20 million (before costs) under a private placement (**Placement**).

BGIA is a wholly-owned subsidiary of a Chinese State Owned Entity that owns steel mills in China.

The Placement is for the issue of a total of 322,580,645 fully paid ordinary shares (**Shares**) at an issue price of A\$0.062 per share to raise \$20 million (before costs) and is subject to approval of the Company's shareholders, BGIA obtaining Australian Foreign Investment Review Board (FIRB) approval and all regulatory approvals in the People's Republic of China being obtained. All conditions to the Placement must be satisfied within 6 months (or such longer period as agreed) in order for the Placement to complete.

Funds from the Placement are due to be received within 60 days following satisfaction (or waiver) of the above conditions.

The shares to be issued under the Placement represent approximately 13.0% of the Company's existing share capital.

The Company intends to use the funds raised under the Placement towards progression of the Company's project enhancement initiatives for the Browns Range Project that have been previously announced to ASX (being ore sorting, product separation and increased exploration).

The Company will seek shareholder approval for the Placement at its Annual General Meeting (which will be held in November).

Forward Looking Statements

This announcement includes forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like "will", "progress", "anticipate", "intend", "expect", "may", "seek", "towards", "enable" and similar words or expressions containing same.

The forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this announcement and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. Given these uncertainties, no one should place undue reliance on any forward looking statements attributable to the Company, or any of its affiliates or persons acting on its behalf. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise (except as may be required under applicable securities laws). Neither the Company nor any other person, gives any representation, warranty, assurance, nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. To the maximum extent permitted by law, the Company and each of its advisors, affiliates, related bodies corporate, directors, officers, partners,

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ASX ANNOUNCEMENT

employees and agents disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise.

Not for release to US wire services or distribution in the United States

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The new shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

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For further information:

George Bauk
Managing Director/CEO
Mark Tory
CFO/Company Secretary
Northern Minerals
+61 8 9481 2344

For media and broker enquiries

Andrew Rowell / Michael Cairnduff
Cannings Purple
+61 8 6314 6314

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ASX ANNOUNCEMENT

About Northern Minerals:

Northern Minerals Limited (ASX: NTU; Northern Minerals or the Company) has completed practical completion of the Browns Range Heavy Rare Earth Pilot Plant Project in northern Western Australia and commenced pilot plant production of heavy rare earth carbonate.

The Pilot Plant Project will continue to assist the company evaluate the economic and technical feasibility of mining at Browns Range, and will provide the opportunity to gain production experience and surety of supply for our offtake partner.

Through the development of its flagship project, the Browns Range Project (the Project), Northern Minerals aims to build the Western Australian operation into the first significant world producer of dysprosium outside of China.

The Project is 100% owned by Northern Minerals and has several deposits and prospects containing high value dysprosium and other HREs, hosted in xenotime mineralisation.

Dysprosium is an essential ingredient in the production of DyNdFeB (dysprosium neodymium iron-boron) magnets used in clean energy and high technology solutions.

For more information: northernminerals.com.au.



ASX Code:	NTU	Market Capitalisation:	A\$187.1m
Issued Shares:	2,495m	Cash (as at 30 June 2019):	A\$8.1m

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