

Sinosteel MECC selected as EPC Contractor for Browns Range Pilot Plant

- Sinosteel Equipment & Engineering Co., Ltd. (**Sinosteel MECC**) selected as Engineering, Procurement and Construction (**EPC**) contractor for Browns Range Pilot Plant.
- Non-binding Memorandum of Understanding (**MoU**) between Northern Minerals and Sinosteel MECC signed in Beijing.
- As part of the MoU, Sinosteel MECC has agreed to defer 20% of payments for 24 months, with a right to convert into Northern Minerals Ordinary shares.

Australian heavy rare earths developer, Northern Minerals Limited (ASX: NTU) is pleased to announce that it has executed a Memorandum of Understanding (**MoU**) with Sinosteel Equipment & Engineering Co., Ltd. (**Sinosteel MECC**), a subsidiary of Shenzhen listed Sinosteel Engineering & Technology Co., Ltd. (**Sinosteel ENTEC**), for the delivery of the Browns Range Pilot Plant in northern Western Australia. Sinosteel MECC has been selected as the EPC contractor for Australia's first dysprosium project, which is planned to be constructed in 2017.

Under the non-binding MoU, Sinosteel MECC will be responsible for the engineering, procurement and construction of the 60,000tpa Browns Range Pilot Plant. It is expected that the Pilot Plant modules will be fully constructed in the People's Republic of China (**China**) and then transported and installed on site in Australia. Sinosteel MECC will be the lead contractor on site with other Australian groups sub-contracting as required.



Northern Minerals Managing Director, George Bauk and Sinosteel MECC General Manager, Wang Jian, sign the Memorandum of Understanding in Beijing

ASX ANNOUNCEMENT

The contract size for the Browns Range Pilot Plant is estimated at ~A\$60 million, including the following:

- Pilot plant process facilities (beneficiation and hydrometallurgical process plants) – A\$28m;
- Mining and associated infrastructure (including tailings storage facility, camp, water supply, airstrip) – A\$22m; and
- Commissioning/Working Capital requirements - \$10m.

Under the MoU, Sinosteel MECC has agreed to defer payments totaling A\$12 million for a period of 24 months. Alternatively, Sinosteel MECC has the right, at its election, within nine months of practical completion, to convert the deferred payment amount into Ordinary Northern Minerals' shares at a conversion price of the lower of 15 cents per share or the 20 day VWAP prior to election.

The conversion of the MoU into an EPC contract with funding is subject to finance and a final investment decision by the Northern Minerals' and Sinosteel's Board, expected in mid-Q1 2017.

Northern Minerals' Managing Director George Bauk welcomed a team with the calibre of Sinosteel MECC to the Browns Range Project, acknowledging it as a strong endorsement of the Company's vision.

"We are excited to be partnering with a strong party such as Sinosteel MECC. The final pieces in the business plan are coming together as we move towards a final investment decision," Mr Bauk said.

For further information:

George Bauk
Managing Director/CEO
Northern Minerals
+61 8 9481 2344

For media and broker enquiries

Andrew Rowell / Michael Cairnduff
Cannings Purple
+61 8 6314 6300

ASX ANNOUNCEMENT



About Northern Minerals:

Northern Minerals Limited (ASX: NTU; Northern Minerals or the Company) is focused on the delivery of the heavy rare earth (HRE) element, dysprosium. The Company has a large landholding in Western Australia and the Northern Territory that is highly prospective for this element. Through the development of its flagship project, the Browns Range Project (the Project), Northern Minerals aims to be the first significant world producer of dysprosium outside of China.

The Project is 100% owned by Northern Minerals and has a number of 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. As a result of increasing global demand for these applications dysprosium supply is critical. The Project's xenotime mineralisation has facilitated the development of a two stage process flowsheet, consisting of a beneficiation and hydrometallurgical plant, to produce a high value, high purity dysprosium rich product.

Exploration continues at Browns Range (WA and NT), and is also underway at the geologically similar John Galt and Boulder Ridge projects. For more information: northernminerals.com.au.

About Sinosteel MECC:

Sinosteel Equipment & Engineering Co., Ltd (hereunder referred to as Sinosteel MECC) is a public listed company with majority shares held by Sinosteel Group. It was established in 1972 as a professional, internationally operated engineering company with business covering domestic and overseas EPC/EP business, equipment and spare parts supply, project management, project and equipment manufacturing supervision.

Sinosteel MECC is a flagship of Sinosteel Group in developing and processing of mineral resources as EPC contractor with full qualifications. As a well-known metallurgical engineering company in

ASX ANNOUNCEMENT

China, Sinosteel MECC has made an outstanding contribution to the development of China's metallurgical industry. It has accomplished over 400 state key metallurgical projects in the field of mining, coking, sintering, pelletizing, blast furnace, EAF, converter, continuous casting machine, wire rod and bar mill, hot strip mill, plate mill, Steckel mill, cold strip mill, processing and finishing line, environment protecting and energy saving systems for major Chinese steel enterprises.

Sinosteel MECC actively promotes its international business operation, developing its business from spare parts and individual equipment supply to undertaking of large-scale metallurgical turnkey projects. Sinosteel MECC has undertaken a series of EPC/EP projects featuring both great international influence and largest scale ever built by Chinese companies in the overseas market, by which it has built its international influence and sound reputation.

In Australia, Sinosteel Group has a long term cooperation with Rio Tinto through a joint venture partnership. Sinosteel has also invested in a few mineral projects in WA and SA. Sinosteel MECC is EPC contractor and minority shareholder of CuDECO Rocklands Copper project in Cloncurry QLD.