

## Sales Agreement executed for Browns Range Pilot Plant production

- Sales Agreement executed for 100% of Browns Range heavy rare earths Pilot Plant output.
  - Agreement with Lianyugang Zeyu New Materials Sales Co Ltd, a 51% owned subsidiary of Guangdong Rare Earths Group.
  - Sales Agreement includes A\$10 million pre-payment, receivable in early 2018 and 40 million unlisted options at \$0.25 exercise price
  - Upon receipt of funds, sales partner representative to join Northern Minerals' Board.
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Australian heavy rare earths developer, Northern Minerals Limited (ASX: NTU) is pleased to announce that it has entered a Sales Agreement with Lianyugang Zeyu New Materials Sales Co Ltd (JFMAG), a 51% owned subsidiary of Guangdong Rare Earths Group. Guangdong Rare Earths Group is a 100% subsidiary of Guangdong Raising Asset Management (GRAM).

Guangdong Rare Earths Group are one of the 5 major heavy rare earth companies in China which are vertically integrated producers. Guangdong Rare Earths aims to improve the international competitiveness of China's rare earth industry and voice to make a positive contribution.

The milestone Sales Agreement covers all planned production from the Browns Range Pilot Plant. The Sales Agreement terms are based off CIF Incoterms 2010 with pricing referenced from a 2-month average of quoted prices on Asian Metals and Beijing Ruidow Information Technology.

Under the Sales Agreement, prior to the first shipment of rare earth carbonates, JFMAG will make a pre-payment to Northern Minerals of A\$10 million. The prepayment covers approximately 15% of the expected value of production during the Pilot Plant phase, with the remaining 85% to be paid to Northern Minerals over the course of the agreement based on volumes delivered. JFMAG or its nominated beneficiary will be issued 40 million unlisted options at \$0.25 exercise price which can be converted to ordinary shares to offset the pre-payment of A\$10 million.

Following execution of the Sales Agreement, Northern Minerals will issue 14 million Ordinary shares to JFMAG or its nominated beneficiary.

Mr George Bauk, Northern Minerals' Managing Director and CEO, said: *"This milestone sales agreement underpins the Browns Range Pilot Plant development. The excellent terms we have agreed provide us with a transparent pricing mechanism and guaranteed demand for our products.*

## ASX ANNOUNCEMENT

*“The Sales Agreement is one of the final milestones that now allows us to move towards a Final Investment Decision. We look forward to considering and announcing this decision shortly.”*

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### 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](http://northernminerals.com.au).

### About Guangdong Rare Earths:

Guandong Rare Earths is a wholly-owned subsidiary of Guangdong Guangsheng Asset Management Limited. Guandong Rare Earths is primarily responsible for internal and external integration of rare earth resources in Guangdong Province and enterprise restructuring.

In May 2014, Guangdong Guangsheng invested 1 billion yuan to set up a rare earth industry group, Guangdong Rare Earths.

Guandong Rare Earths is focussed on resource control and development simultaneously, while scientific progress and environmental protection are equally important. Guandong Rare Earths aims to improve the international competitiveness of China's rare earth industry and voice to make a positive contribution.