

Company Update

Northern Minerals Limited (ASX: NTU) (**Company**) wishes to provide an update to investors about its future capital raising initiatives following the recently announced \$20 million placement (refer announcement dated 18 March 2019), \$15 million subscription (refer announcement dated 23 April 2019) and the R&D Claims update (refer announcement dated 17 May 2019).

The \$20 million placement and \$15 million subscription have resulted in the Company obtaining commitments to raise a total of \$35 million (with \$30 million received to date) and have assisted the Company to strengthen its balance sheet and to pay down some of the Company's existing debt.

However, the Company is pursuing further funding options to enable it to meet its financial commitments, including under the payment arrangement agreed in-principle with the ATO as announced on 5 June 2019, to further progress the Company's proposed enhancement initiatives for Browns Range including ore sorting, product separation and further exploration, and for working capital purposes.

The Board will shortly launch an entitlement offer as foreshadowed on 18 March 2019. An announcement of the final terms of the offer will be made later today.

In addition to the entitlement offer, the Company may seek further funding in the form of debt (including traditional and convertible debt), equity (including private placements and pro-rata offerings), or both. The Company regularly has discussions with third parties in various jurisdictions about potential funding opportunities, and the Company also allows those parties to access due diligence materials and conduct site visits to facilitate potential investments in the Company. Although these discussions regularly take place, such proposals will only be announced to ASX once they are sufficiently advanced to warrant disclosure.

The Company is also continuing to work towards securing further arrangements for offtake produced from Browns Range and has recently been in discussions with an internationally recognised industrial group regarding potential offtake arrangements.

However, while early stage negotiations are underway, no formal arrangements have been agreed and there is no certainty as to the likelihood or timing of any agreement of terms. The Board will continue to work with potential offtake partners as opportunities arise and such proposals will be announced to ASX if terms are ultimately agreed.

For further information:

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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 three-year 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\$152.6m
Issued Shares:	1,908m	Cash (as at 31 March 2019):	A\$9.1m