

ASX ANNOUNCEMENT
20 April 2020



A\$22 Million Placement and Share Purchase Plan

A\$22 Million Placement

Northern Minerals Limited (ASX: NTU) (**Company**) is pleased to announce that it has entered into subscription agreements with various sophisticated investors (**Investors**) to raise A\$22 million (before costs) under a private placement (**Placement**).

The Placement is comprised of four tranches, as detailed below:

Tranche	Number of Subscription Shares	Issue Price per Share	Subscription Amount	Completion Date
Tranche 1	450,000,000	A\$0.02	A\$9.0m	On or about 24 April 2020
Tranche 2	210,000,000	A\$0.02	A\$4.2m	On or about 1 June 2020
Tranche 3	170,000,000	A\$0.02	A\$3.4m	On or about 25 June 2020
Tranche 4	270,000,000	A\$0.02	A\$5.4m	On or about 25 July 2020
Total	1,100,000,000	A\$0.02	A\$22.0m	

The Investors may each nominate a nominee to be issued the relevant Subscription Shares.

The issue of 259,525,770 Subscription Shares under Tranche 1 will be made using all of the Company's existing placement capacity under Listing Rule 7.1A. The issue of the remaining 190,474,230 Subscription Shares under Tranche 1 will be made out of the Company's existing placement capacity under Listing Rule 7.1.

The issue of the Subscription Shares under each of Tranches 2, 3 and 4 is subject to the approval of the Company's shareholders being obtained and a notice of meeting will be despatched shortly in this regard.

All Subscription Shares issued under the Placement will be fully paid ordinary shares and will rank equally with the Company's existing quoted shares on issue.

375,000,000 Subscription Shares will be issued in repayment of all amounts owing in respect of (and the redemption of) the convertible notes issued on 26 June 2019 with an aggregate face value of A\$7,500,000 pursuant to the subscription agreement announced on 23 April 2019 (**A\$7.5m Convertible Notes**). None of these shares are being issued pursuant to the Company's placement capacity under Listing Rule 7.1A.

Powering Technology.

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The balance of the Subscription Shares will be used to raise funds in cash for the continued development of the Company's projects and operation of the Company's business; for expenditure relating to care and maintenance of the Browns Range Pilot Plant; and for general working capital purposes.

The Company's indicative debt position as at 20 April 2020 (excluding any accrued but unpaid interest and assuming the repayment (and redemption) of the A\$7.5m Convertible Notes) is approximately \$24.3 million, comprised of the liabilities set out in the table below:

Creditor	Amount Owing (approximate)	Repayment Date
Sinosteel (EPC contract)	A\$8.3m	23 October 2020
Australian Taxation office (R&D matters)	A\$9.0m	Under review by ATO
JHY Investments Pty Ltd (convertible notes)	A\$4.0m	31 December 2020
Lind Global Macro Fund, LP (convertible security)	A\$3.0m	6 March 2022
Total	A\$24.3m	

A fee of 7% is payable to Argonaut on the amount raised from the issue of the Subscription Shares.

Share Purchase Plan

The Company is pleased to offer all eligible existing shareholders on the Company's share register at 5.00pm (Perth time) on 17 April 2020 with registered addresses in Australia or New Zealand the opportunity to apply for new shares in the Company by participating in a Share Purchase Plan (SPP).

The SPP is not underwritten and the Company is targeting to raise approximately A\$5 million (before costs) through the SPP. The funds raised under the SPP will be used for the continued development of the Company's projects and operation of the Company's business; for expenditure relating to care and maintenance of the Browns Range Pilot Plant; and for general working capital purposes.

The application for new shares under the SPP will be capped at the statutory maximum allowed of A\$30,000 per eligible shareholder, across all their holdings. Shares issued under the SPP will rank equally with the Company's existing quoted shares on issue.

The offer price per new share under the SPP will be the same as the issue price for the Subscription Shares under the Placement, being A\$0.02 per new share (which represents a 17.4% discount to the volume weighted average market price of the Company's shares calculated over the last 5 days on which sales in the shares were recorded before today's date). The SPP will provide eligible shareholders with the opportunity to increase their holding without paying brokerage or transaction costs.

The issue of shares under the SPP is not subject to shareholder approval.

The terms and conditions of the SPP will be set out in an SPP Offer Booklet which will be despatched to eligible shareholders (and released to ASX by way of a separate announcement) in due course. Participation in the SPP is optional and the Company reserves the right to scale back any applications under the SPP.

Key dates in relation to the SPP*

Date (and time, if relevant)	Event
5:00pm Perth Time, 17 April 2020	Record Date
22 April 2020	Opening Date
5:00pm Perth Time, 29 May 2020	Closing Date
3 June 2020	Announcement of Results
10 June 2020	Issue Date
11 June 2020	SPP shares quoted
11 June 2020	SPP shares commence trading
11 June 2020	Despatch of holding statements

*All dates and times referred to are based on Perth Time and are subject to change. The Company reserves the right to vary these dates at any time.

Northern Minerals' Managing Director and CEO, George Bauk, said *"We are committed to a long and prosperous future at Browns Range."*

Despite the recent decision to temporarily place the Browns Range Pilot Plant Project into care & maintenance due to impacts of COVID-19, the whole Northern Minerals team is focused on adding value for shareholders.

These funds allow us to maintain care & maintenance, strengthen the balance sheet, complete the important ore sorter installation works and set us up in a strong position to restart R&D testwork and production."

Appendices 3B (Proposed issue of securities) have been released in relation to this announcement.

Summary Information

The following disclaimer applies to this announcement and any information contained in it. The information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au. You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any

information contained in this announcement. In accepting this announcement, you agree to be bound by the following terms and conditions including any modifications to them.

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. 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, 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. Any securities described in this announcement 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.

ENDS

Authorised by the Board of Directors of Northern Minerals Limited.

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About Northern Minerals:

Northern Minerals Limited (ASX: NTU) (Northern Minerals or the Company) is one of a few producers of heavy rare earth element Dysprosium outside of China via production from the Browns Range Heavy Rare Earth Project in northern Western Australia.

The Company commenced the production of heavy rare earth carbonate in late 2018 as part of a three-year pilot assessment of economic and temporarily technical feasibility of a larger scale development at Browns Range. In March 2020, the operation was placed into care & maintenance as a result of COVID-19.

The work program provides the opportunity to gain production experience and surety of supply for our offtake partner, Thyssenkrupp, as well as allowing the assessment of various project enhancement initiatives including ore sorting and the separation of the product into individual rare earth oxides.

Through the development of its flagship project, the Browns Range Project (the Project), Northern Minerals aims to build the Western Australian operation into a 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, military and high technology solutions.

For more information: northernminerals.com.au.



ASX Code:	NTU	Market Capitalisation:	A\$66.5m
Issued Shares:	2,660m	Cash (as at 31 December 2019):	A\$5.8m