

Refund payment received from ATO

Northern Minerals Limited (ASX: NTU) (**Company**) is pleased to advise it has now received a refund payment of \$8.64 million (with the remaining balance of \$1.3 million to be received on or before Thursday 17 September) from the Australian Tax Office (ATO). This will be the net cashflow effect of the settlement agreement between the Company and the ATO, announced on 24 August 2020, relating to refundable Research and Development (R&D) tax offset claims for the financial years ended 30 June 2017, 2018 and 2019.

The settlement agreement also provided a framework for reviewing the Company's refundable R&D tax offset claim for the financial year ended 30 June 2020 which will be lodged shortly.

CEO Mark Tory said with the settlement and payment of claims with the ATO being finalised, Northern Minerals was very pleased to be in a strengthened position to move forward with the Pilot Plant testwork at Browns Range.

"Our strategy is to be debt free by the end of the 2020 calendar year and continuing to invest in the potential of Browns Range to support a full-scale, commercial operation in the future through ramping up our exploration program in the next six months," Mr Tory said.

On receipt of funds from the ATO, Northern Minerals has moved to immediately reduce debt with the early repayment of \$2 million to JHY Investments Pty Ltd (JHY). The Company entered into a \$4 million Convertible Note (Notes) subscription and option agreement with JHY in December 2018.

The original terms of the Notes issued to JHY had a maturity date of 31 December 2019 and an interest rate of 16% per annum. Northern Minerals subsequently negotiated an extension of the maturity date for a further year and at a lower interest rate of 10%. The current maturity date for the outstanding amount remains 31 December 2020.

Northern Minerals updated cash position following the initial receipt of funds from the ATO is \$11.9m with the indicative debt position as at 11 September 2020 (excluding any accrued but unpaid interest), totaling \$4.1 million (details included in table below).

Creditor	Amount Owing	Repayment Date
Sinosteel (EPC contract)	A\$2.1 million	23 October 2020
JHY Investments Pty Ltd (convertible notes)	A\$2 million	31 December 2020
Total	A\$4.1 million	

Powering Technology.

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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 and has partially restarted operations in August 2020.

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\$133.0m
Issued Shares:	4,291m	Cash (as at 11 Sept 2020):	A\$11.9m