

Northern issues convertible note to Lind

Highlights

Northern Minerals (ASX: NTU) (Company) announces the issue of the first unsecured convertible note as part of the up to US\$4 million funding package previously announced on 2 November 2015.

Terms

The unsecured convertible security (Note) is for a maximum term of 18 months. The funding received by Northern Minerals was US\$1.5 million less fees and will be followed by 10 monthly payments of US\$80,000 up to US\$250,000 subject to mutual consent between the Company and the Investor.

The first Note is for a face value of US\$1,781,250. If at the election of the Company it does not repay this Note within the first 6 months, an additional US\$150,000 is added to the face value of the Note. Each repayment is to be made on a monthly basis, at the Company's option, either through cash, shares or combination of both. Repaying in cash will be at a premium of 2.5% and the repayment in shares will be priced at 92.5% of the average of three consecutive days daily VWAP's during the 20 trading days before the issuance of shares at the option of the Investor.

The Company has the right to repay the convertible security in full anytime. Upon receiving a buyback notice, the Investor will have the right to convert 30% of the face value of the convertible security.

About Lind Partners, LLC

Lind is a New York based alternative asset management company that manages a family of funds that selectively invests across a broad range of industries and economic environments with a focus on companies with market capitalisations ranging between US\$25 million and US\$1 billion having definable milestones and key inflection points that have the potential to create considerable shareholder value. More information on Lind can be found at www.thelindpartners.com.

ASX ANNOUNCEMENT

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About Northern Minerals:

Northern Minerals Limited (ASX: NTU; Northern Minerals or the Company) is focussed 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 NdFeB (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 facilitates the use of a relatively simple and cost effective processing flowsheet to produce a high value, high purity dysprosium rich product.

Completion of the Definitive Feasibility Study in February 2015 confirms the Project is economically and technically viable. Construction is targeted to commence at the Project in 2016, followed by production in 2017 to produce a high purity mixed rare earth (RE) carbonate for export.

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.



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