

Rare Earths pilot plant gets Government tick of approval

Highlights

- Browns Range Pilot Plant receives Project Management Plan approval from WA Department of Mines and Petroleum.
 - Approval represents significant milestone on pathway to construction of Australia's only heavy rare earths mine.
 - Additional subordinate approvals well progressed.
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Australian heavy rare earths company, Northern Minerals Limited (ASX: NTU) is pleased to announce that it has received approval for the Browns Range Pilot Plant Project Management Plan from the Western Australian Department of Mines and Petroleum (DMP). This approval forms a key part of the overall approval process towards the commencement of mining operations.

Whilst the Browns Range pilot plant is still subject to final financing, the Project received a significant boost last month after Huatai Mining, which is part of Chinese coal trader Shandong Taizhong Energy agreed to inject \$30m in equity into Northern Minerals to assist with the construction of the project.

When constructed, Browns Range will be the only heavy rare earths mine in Australia, with heavy rare earths fetching considerably more than light rare earths on the global market.

The approval follows the assessment of the Project Management Plan by the DMP against the requirements under section 42 of the *Mines Safety and Inspection Act 1994 (MSIA)* and regulations 3.12 and 3.13 of the *Mines Safety and Inspection Regulations 1995 (MSIR)*.

This approval is an amendment to the Project Management Plan that was previously approved for the Full Scale Operation (see ASX announcement dated 20 August 2015).

A Project Management Plan must be submitted for assessment to the State Mining Engineer and approved before any mining operation commences in Western Australia. This is used to identify potential major safety risks for the proposed operations, and acts as a starting point for developing ongoing safety management strategies and commitments to address those risks.

The proposed pilot plant, at a scale of 10% of the full scale operation, has a designed front end of 60,000tpa crushing beneficiation circuit, and a 3,200tpa hydrometallurgical plant aimed at producing 590 tonnes of TREO in a mixed RE carbonate including 49tpa of dysprosium. The pilot plant is scheduled to operate for 3 years, in which time a decision to commit to the full scale operation may be made. A full scale plant would take 2 years to construct.

The approval is a significant step forward in the Government approvals process for the Project. Northern Minerals is continuing to work on the additional required subordinate approvals, which are all expected to be granted well in advance of the commencement of construction. The Company is aiming towards awarding of contracts for the construction of the pilot plant in early 2017, with mining and concentrate production in the second half of 2017.

ASX ANNOUNCEMENT

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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.

