ASX ANNOUNCEMENT
11 July 2016

# Update on offtake MOU

Further to the announcement dated 27 June 2016 concerning the offtake negotiations, Northern Minerals Limited (ASX: NTU; Northern Minerals) advises that the counter-party to the Memorandum of Understanding (MOU) is Shin-Etsu Chemical Co., Ltd (Shin-Etsu). Shin-Etsu is listed on the Japanese Stock Exchange, Code 4063.T.

The pricing mechanism is based on 3 month average weekly pricing following the timing of the monthly shipments, referenced from a bureau established by professionals within the metals industry with the goal of providing comprehensive metals market pricing and coverage. The company offers users access to metals market pricing, data and statistics, and news across all regions.

Prices are based on fully separated rare earth prices adjusted for downstream separation costs and recovery.



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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 NdDyFeB (neodymium dysprosium 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 xenotime mineralisation is rich in dysprosium and other high value HREs, and this in combination with the mainly silica host rock, provides a key competitive advantage. It allows the ore to be significantly concentrated, up to 30 times through the beneficiation stage, with excellent recoveries. Northern Minerals has undertaken extensive testwork to develop 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](northernminerals.com.au)