

Huatai Mining investment gets FIRB green light

Highlights

- FIRB has no objection to \$30 million Huatai Mining investment
 - First \$9 million tranche due by 28 October
 - Browns Range on track for final investment decision in early 2017
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Australian heavy rare earths developer, Northern Minerals Limited (ASX: NTU) is pleased to announce that the Federal Investment Review Board (FIRB) has no objection to the \$30 million equity investment by Huatai Mining, which is part of Chinese coal trader Shandong Taizhong Energy.¹

FIRB review was the only remaining condition precedent for the investment and the Company expects the first \$9 million tranche by 28 October. The second and third tranches of \$9 million each are due before the end of November and December respectively. \$3 million was received by the company from Huatai Mining in August 2016.

Following the receipt of the first \$9 million tranche, Northern Minerals will appoint Mr Nan Yang as a representative of Huatai Mining to the Board as a non-executive Director.

Receipt of the first tranche will enable, Northern Minerals to commence pre-commitment works for the development of the pilot plant at the Browns Range Project, including; mine planning drilling, water supply, engineering design and an extension to the accommodation camp.

Northern Minerals' Managing Director, George Bauk, said *"The execution of the Huatai Mining transaction is an important step in the development of Browns Range as a globally significant dysprosium operation."*

"Our project team has a clear objective and focus of delivering the pilot plant operation at Browns Range before the end of 2017. This transaction keeps us on track for a final investment decision and construction commencement in early 2017."

For further information:

George Bauk
Managing Director/CEO
Northern Minerals
+61 8 9481 2344

For media and broker enquiries

Andrew Rowell / Matt Birney
Cannings Purple
+61 8 6314 6300

¹ Refer ASX announcement 2 August 2016

ASX ANNOUNCEMENT

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.

