

Share Purchase Plan Offer Documentation

Following the ASX Announcement by Northern Minerals Limited (ASX:NTU) (**Company**) on 26 October 2022 - NTU Strategic Partnership with Iluka Resources, announcing the launch of the Company's Share Purchase Plan (**SPP**), attached is a copy of the letter sent to eligible shareholders who were on the register as at the 25 October 2022 record date for the SPP.

Also attached is a copy of the SPP Offer Booklet. The attached letter advises how to obtain a copy of the booklet and personalised Application Form.

Authorised by Nicholas Curtis AM – Executive Chairman

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Powering Technology.

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3 November 2022

Dear Shareholder

Share Purchase Plan – Letter to Eligible Shareholders

1 Background

I write to you as a holder of Northern Minerals Limited (ASX: NTU) (**NTU** or the **Company**) shares with a registered address in Australia or New Zealand as at the record date of 4.00pm (Perth time) Tuesday, 25 October 2022 (**Record Date**).

On behalf of the Directors, I am pleased to:

- offer you the opportunity to participate in a share purchase plan (**SPP**), which allows Eligible Shareholders to subscribe for up to \$30,000 worth of new fully paid ordinary shares in NTU (**SPP Shares**) at \$0.04 (**Issue Price**), without incurring any brokerage or other transaction costs; and
- notify you that the SPP is now open and provide you with instructions on how to obtain a copy of the offer booklet in relation to the SPP that was lodged with ASX today (**Booklet**) and your personalised Application Form.

The SPP aims to raise up to \$5.0 million¹ and is not underwritten. The SPP follows the Company's entry into a strategic partnership with Iluka Resources Limited (ASX:ILU) (and its subsidiaries) (**Iluka**) which, combined with the SPP, is expected to raise up to \$78 million (subject to satisfaction or waiver of all applicable conditions, and receipt of necessary Shareholder approvals) which is intended to enable the Company to complete a definitive feasibility study for the mine and commercial-scale beneficiation plant at Browns Range, provide ongoing working capital and contribute to the future equity component of the capex and commissioning costs associated with the Browns Range Project.

For more information regarding the strategic partnership with Iluka, please refer to the announcement and investor presentation issued by the Company on Wednesday 26 October 2022.

Unless otherwise defined, capitalised terms used in this letter have the meaning given in the Booklet.

2 Summary of SPP

The SPP is available to all Shareholders registered on the Record Date whose registered address is in Australia or New Zealand, provided they are not in the United States or acting for the account or benefit of a person in the United States (**Eligible Shareholders**).

The SPP is also being offered to Eligible Shareholders who are Custodians or nominees and who wish to apply for SPP Shares on behalf of certain Eligible Beneficiaries who are not in the United States.

Eligible Shareholders may apply for SPP Shares in parcels valued at \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$15,000, \$20,000 or \$30,000.

To the extent it is necessary to scale back the number of SPP Shares that will be issued to Eligible Shareholders under the SPP, the Company intends to do so in its discretion, having regard to factors including the pro rata shareholding of Eligible Shareholders (as at the Record Date) who apply for SPP Shares and the total application received from Eligible Shareholders. If there is a

¹ NTU may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion.

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scale back you may be issued SPP Shares to a value that is less than the value of SPP Shares you applied for and the difference between the application monies received from you, and the number of SPP Shares allocated to you multiplied by the Issue Price will be refunded to you (without interest).

The SPP is subject to the terms and conditions set out in the Booklet.

3 How to obtain a copy of the Booklet and personalised Application Form

The Booklet and your personalised Application Form are available on the investor portal at <https://investor.automic.com.au/#/home>.

If you are unable to access the investor portal, you can request a copy of the Booklet and your personalised Application Form to be posted or emailed to you by contacting the Registry on 1300 288 664 (within Australia), +61 2 9698 5414 (outside Australia) or at corporate.actions@automic.com.au between 5.30am and 5.00pm (Perth time).

4 Key dates

Event	Date
Record Date (the date that eligibility to participate in the SPP was determined)	4.00pm (Perth time), 25 October 2022
Opening Date for applications	Thursday, 3 November 2022
Closing Date for applications	2.00pm (Perth time), Thursday, 24 November 2022
Results of SPP announced	Tuesday, 29 November 2022
Issue of SPP Shares	Thursday, 1 December 2022
SPP Shares commence trading on ASX	Friday, 2 December 2022
Despatch of holding statements	Friday, 2 December 2022

This timetable is indicative only and subject to change. The Company reserves the right to alter the dates above at its discretion, subject to the Listing Rules and Corporations Act.

5 Action required by Eligible Shareholders

Eligible Shareholders may participate in the SPP by following the instructions on how to apply via BPAY® or electronic funds transfer in the Booklet.

In order to participate, your payment must be received before 2.00pm (Perth time) Thursday, 24 November 2022. However, the Company reserves the right to close the SPP early or extend the SPP in its discretion.

Participation is entirely voluntary. Before you decide whether to participate in the SPP, the Company recommends you seek independent financial advice.

Your right to participate in the SPP is not transferrable.

6 Share Consolidation

The Company's announcement to ASX dated Wednesday, 26 October 2022 also contemplates that, subject to Shareholder approval and following a meeting of Shareholders expected to take place on Monday, 12 December 2022, every 25 NTU Shares will be consolidated into one Share (**Share Consolidation**).

The SPP Offer is anticipated to close, and the SPP Shares are anticipated to be issued, prior to the Share Consolidation occurring. As such, the Issue Price and the number of SPP Shares each Shareholder can apply for (and is issued) will not be affected by the Share Consolidation during the SPP Offer or on issue of the SPP Shares. However, any SPP Shares issued will later be consolidated along with the remainder of the NTU Shares, should Shareholders approve the Share Consolidation.

7 Questions and further information

The Booklet contains important information about the SPP to assist you in deciding whether to participate in the SPP. You should read the Booklet carefully, including the risks set out in Schedule 1, before deciding whether to apply. You should also read the ASX announcement and investor presentation issued by the Company on Wednesday, 26 October 2022.

If you have any questions in relation to how to participate in the SPP, please contact the Registry from 5.30am and 5.00pm (Perth time) Monday to Friday on 1300 288 664 (callers within Australia), +61 2 9698 5414 (callers outside Australia) or at corporate.actions@automic.com.au or consult your financial or other professional adviser.

If you have any questions in relation to whether an investment in the Company through the SPP is appropriate for you, please contact your financial or other professional adviser.

On behalf of the Board, thank you for your continued support as an NTU shareholder.

Yours sincerely



Nicholas Curtis AM
Executive Chairman, Northern Minerals Limited



Northern Minerals Limited Share Purchase Plan Booklet

This is an important document issued by Northern Minerals Limited (ACN 119 966 353) and requires your immediate attention. You should read this Booklet in full.

Eligible Shareholders have the opportunity to participate in the share purchase plan offer by applying for up to \$30,000 of new Shares without incurring brokerage or other transaction costs. Details of the offer and how to participate are set out in this Booklet.

Applications for new Shares under the SPP must be received by 2.00pm (Perth time) on Thursday, 24 November 2022.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

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Important information

This document is intended for use only in connection with the SPP Offer to Eligible Shareholders in Australia and New Zealand. No action has been taken to permit an offering of Shares in any jurisdiction outside of Australia and New Zealand. The distribution of this document may be restricted by law and persons (including Custodians and nominees) who come into possession of this document should observe any such restrictions.

This document may not be distributed or released in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any Shares in the United States or in any jurisdiction in which such an offer would be illegal. The Shares to be offered and sold under the SPP have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any U.S. state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States).

1 Letter to Shareholders

Dear Shareholder

On behalf of the directors of Northern Minerals Limited (**NTU**), I am pleased to offer you the opportunity to participate in a share purchase plan (**SPP**), which allows Eligible Shareholders to subscribe for up to \$30,000 worth of new Shares in NTU (**SPP Shares**) without incurring brokerage or other transaction costs.

The SPP aims to raise up to \$5.0 million and is not underwritten.¹

The SPP follows NTU's entry into a strategic relationship with Iluka Resources Limited (ASX:ILU) (and its subsidiaries) (**Iluka**) which was announced to ASX on Wednesday, 26 October 2022 and is discussed further below.

New SPP Shares are being offered at the Issue Price of \$0.04 per share which is the issue price of Shares under the initial placement to Iluka. This Issue Price represents:

- a 2.4% discount to the closing price of \$0.041 per share on 25 October 2022; and
- a 2.4% discount to the 5-day volume weighted average price (VWAP) of \$0.041 per share up to and including 25 October 2022.

Strategic partnership with Iluka and funding package

On Wednesday, 26 October 2022, NTU announced that it signed a rare earths concentrate supply agreement with Iluka Rare Earths Pty Ltd (a wholly owned subsidiary of Iluka) covering the initial 8+ year mine life (30.5k tonnes of contained TREO) from Browns Range (**Supply Agreement**) as well as, a subscription and option agreement with Iluka to raise up to \$73.0 million through:

- an initial placement by NTU to Iluka of 125.0 million Shares at \$0.04 per share to raise \$5.0 million, which were issued on Friday, 28 October 2022 (**Iluka Tranche 1 Placement**);
- an issue by NTU to Iluka of a \$15.0 million convertible note, convertible into up to 365.6 million Shares at \$0.048 (including capitalised interest, and subject to conditions and various adjustment events), which was issued on Friday, 28 October 2022 (**Iluka Convertible Note**);
- a future placement by NTU to Iluka, to take place following a final investment decision in respect of Browns Range Project (and certain other conditions being satisfied or waived) to raise up to \$13.8 million through the issue of up to 230.0 million Shares at a maximum price per Share of \$0.06 (**Iluka Tranche 2A Placement**); and
- a call option / put option arrangement pursuant to which Iluka may (subject to satisfaction or waiver of certain conditions) be issued up to an additional 653.3 million shares at a maximum price per Share of \$0.06 to raise up to \$39.2 million (**Iluka Tranche 2B Call Option / Put Option**). The issue and grant of the call option and put option is conditional on shareholder approval of the call option the at the Company's upcoming extraordinary general meeting.

For further information on the strategic partnership with Iluka, please refer to the ASX announcement and investor presentation issued by the NTU on Wednesday, 26 October 2022.

Share consolidation

The ASX announcement by NTU dated 26 October 2022 contemplates that, subject to Shareholder approval and following a meeting of Shareholders expected to take place on

¹ NTU may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion.

or around Monday, 12 December 2022, every 25 Shares will be consolidated into one Share (**Share Consolidation**).

The SPP Offer is anticipated to close, and the SPP Shares are anticipated to be issued, prior to the Share Consolidation occurring. As such, the Issue Price and the number of SPP Shares each Shareholder can apply for will not be affected by the Share Consolidation during the SPP Offer or on issue of the SPP Shares. However, any SPP Shares issued will later be consolidated along with the remainder of the NTU Shares, should Shareholders approve the Share Consolidation.

Participation in the SPP

Participation in the SPP is voluntary and open to all Eligible Shareholders, being holders of Shares in NTU at 4.00pm (Perth time) on Tuesday, 25 October 2022 (**Record Date**) and whose address on the Register is in Australia or New Zealand. The SPP is also being extended to Eligible Shareholders who are Custodians or nominees to participate in the SPP on behalf of certain Eligible Beneficiaries on the terms and conditions set out in this booklet (**Booklet**).

Once issued, SPP Shares will rank equally with existing Shares in NTU.

The terms and conditions of the SPP are provided in this Booklet. We urge you to read these materials, in particular the 'Key Risks' set out in Schedule 1, in their entirety and seek your own financial and taxation advice in relation to the SPP, before you decide whether to participate.

How to apply for SPP Shares

The SPP opens on Thursday, 3 November 2022 and is expected to close at 2.00pm (Perth time) on Thursday, 24 November 2022. SPP Shares are expected to be issued on Thursday, 1 December 2022 and to commence trading on ASX on Friday, 2 December 2022.

Details of the SPP Offer and how to participate are set out in this document. This document and the application form are available on the investor portal at <https://investor.automic.com.au/#/home>.

To apply for SPP Shares, you must make payment directly via BPAY^{®2} or Electronic Funds Transfer (EFT) before **2.00pm (Perth time) on Thursday, 24 November 2022**.

Questions and further information

This Booklet contains important information about the SPP to assist you in deciding whether to participate in the SPP. You should read this Booklet carefully and in its entirety before deciding whether to apply, and in particular, the 'Key Risks' set out in Schedule 1.

If you have any questions in relation to how to participate in the SPP, please contact the Registry on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia) between 5.30am and 5.00pm (Perth time) Monday to Friday or at corporate.actions@automic.com.au or consult your financial or other professional adviser. If you have any questions in relation to whether an investment in NTU through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

² Registered by BPAY Pty Ltd (ABN 69 079 137 518).

Thank you for your continued support of NTU.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nicholas Curtis', with a long horizontal flourish extending to the right.

Nicholas Curtis
Chairman
Northern Minerals Limited

2 Summary of important dates

Event	Date
Record Date (the date that eligibility to participate in the SPP was determined)	4.00pm (Perth time), 25 October 2022
Opening Date for applications	Thursday, 3 November 2022
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Issue of SPP Shares	Thursday, 1 December 2022
SPP Shares commence trading on ASX	Friday, 2 December 2022
Despatch of holding statements	Friday, 2 December 2022

This timetable is indicative only and subject to change. NTU reserves the right to alter the dates above at its discretion, subject to the Listing Rules and Corporations Act. All references to times in this Booklet are to Perth time unless otherwise specified.

3 Summary of SPP

You should read this section in conjunction with the terms and conditions of the SPP set out in section 4 of this Booklet.

Key SPP details	Summary
SPP offer	Eligible Shareholders of NTU may subscribe for up to \$30,000 of SPP Shares without brokerage or other transaction costs.
Purpose of the SPP	The proceeds of the SPP will be put towards general working capital.
Voluntary participation	<p>Participation in the SPP is entirely voluntary.</p> <p>Before you decide whether to participate in the SPP, NTU recommends you seek independent financial advice from your stockbroker, accountant or other professional adviser.</p> <p>If you do not wish to participate in the SPP, do nothing.</p>
Issue Price of the SPP Shares	<p>The Issue Price per SPP Share will be \$0.04 which is the issue price of Shares under the initial placement to Iluka announced to ASX on Wednesday, 26 October 2022.</p> <p>This Issue Price represents:</p> <ul style="list-style-type: none">• a 2.4% discount to the closing price of \$0.041 per share on 25 October 2022; and• a 2.4% discount to the 5-day VWAP of \$0.041 per share up to and including 25 October 2022. <p>There is a risk that the market price of Shares may rise or fall between the date of this Booklet and the time of issue of SPP Shares under the SPP. This means that the price you pay for the SPP Shares issued to you may be less than or more than the market price of Shares at the date of this Booklet or the time of issue of the SPP Shares.</p> <p>Your application is unconditional and may not be withdrawn even if the market price of Shares is less than the Issue Price.</p>
Eligible Shareholders	<p>Eligible Shareholders are eligible to participate in the SPP, being Shareholders who were registered holders of Shares at 4.00pm (Perth time) on Tuesday, 25 October 2022 with a registered address in either Australia or New Zealand as shown on the Register.</p> <p>The SPP is also being extended to Eligible Shareholders who are Custodians or nominees to participate in the SPP on behalf of Eligible Beneficiaries on the terms and conditions provided in this Booklet.</p> <p>Notwithstanding the foregoing, Shareholders in the United States are not eligible to participate in the SPP. Similarly, Shareholders who hold Shares on behalf of persons in the United States, or are acting for the</p>

Key SPP details	Summary
	<p>account or benefit of persons in the United States, are not eligible to participate in the SPP on behalf of those persons.</p>
Not transferable	<p>The SPP offer cannot be transferred.</p>
Investment amount	<p>Eligible Shareholders may apply for SPP Shares in parcels valued at \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$15,000, \$20,000 or \$30,000.</p> <p>The number of SPP Shares issued to an applicant will be rounded up to the nearest whole number after dividing the application monies by the Issue Price. Applications may be scaled back at the discretion of NTU.</p>
How to apply	<p>An electronic copy of this Booklet, along with the application form is accessible at https://investor.automic.com.au/#/home.</p> <p>If you are unable to access the website online you can request a copy of the Booklet and the personalised Application Form to be posted or emailed to you by contacting the Registry on 1300 288 664 (within Australia), +61 2 9698 5414 (outside Australia) between 5.30am and 5.00pm (Perth time) or at corporate.actions@automic.com.au.</p> <p>If you wish to participate in the SPP, you need to do one of the following:</p> <p>Option 1: Apply via BPAY®</p> <p>To apply via BPAY® you will need to:</p> <ul style="list-style-type: none"> • visit https://investor.automic.com.au/#/home to download your personalised form and access the specific biller code and the customer reference number (CRN) that is required to identify your shareholding. You will need to provide your Security Reference Number (SRN) or Holder Identification Number (HIN) and follow the instructions provided; • be an account holder with an Australian branch of a financial institution; and • ensure that your payment for the appropriate amount is received by the Registry before 2.00pm (Perth time) on Thursday, 24 November 2022. Financial institutions may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. <p>You can only make payment via BPAY® if you are the holder of an account with an Australian branch of a financial institution that supports BPAY® transactions.</p> <p>If you are paying via BPAY®, there is no need to return the Application Form but you will be taken to have made the statements and certifications that are set out in the Application Form.</p>

Key SPP details

Summary

Option 2: Apply via Electronic Funds Transfer (EFT)

To apply by EFT you will need to:

- follow the instructions in the application form available online at <https://investor.automic.com.au/#/home>; and
- ensure that your payment for the appropriate amount is received by the Registry before **2.00pm (Perth time) on Thursday, 24 November 2022**. Financial institutions may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.
- You must quote your unique payment reference, as shown on your personalised application form, as your payment reference/description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and shares subsequently not issued.

If you are paying via EFT, there is no need to return the Application Form but you will be taken to have made the statements and certifications that are set out in the Application Form.

Rights attached to SPP Shares

SPP Shares will rank equally with all other Shares on issue.

Custodians and nominees

The SPP is being extended to Eligible Shareholders who are Custodians or nominees and who wish to apply for SPP Shares on behalf of certain Eligible Beneficiaries.

The SPP is being offered to Custodians and nominees as the registered Shareholder. Custodians and nominees are not required to participate on behalf of their Eligible Beneficiaries. Custodians and nominees may choose whether or not to extend the SPP to their Eligible Beneficiaries.

Notwithstanding the foregoing, Custodians and nominees may not participate in the SPP on behalf of, and may not distribute this Booklet or any documents relating to this SPP to, any person in the United States. In the event that a Custodian or nominee is acting for the account or benefit of a person in the United States, it is not permitted to participate in respect of that person.

If you wish to apply as a Custodian or nominee under the SPP to receive SPP Shares for one or more Eligible Beneficiaries, you must complete and submit a '**Custodian Certificate**' that contains further certifications and details (as required under the terms of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*) before your application will be accepted. Applications by Custodians or nominees that are not accompanied by a duly completed Custodian Certificate will be rejected. By applying as a Custodian on behalf of Eligible Beneficiaries to purchase SPP Shares, you certify (amongst other things) that each Eligible Beneficiary has not exceeded the \$30,000 limit.

To request a Custodian Certificate or for further information about the custodian application process, please contact the Registry on 1300 288 664 (within Australia), +61 2 9698 5414 (outside Australia)

Key SPP details**Summary**

between 5.30am and 5.00pm (Perth time) or at corporate.actions@automic.com.au.

A Custodian will be ineligible to participate in the SPP if their participation would be in breach of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*.

Issue of SPP Shares

Holding statements are expected to be despatched on or around Friday, 2 December 2022.

Oversubscriptions and scale back

The amount that each Eligible Shareholder can apply for under the SPP is capped at \$30,000. The SPP aims to raise up to \$5.0 million. NTU may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion.

To the extent it is necessary to scale back the number of SPP Shares that will be issued to Eligible Shareholders under the SPP, NTU intends to do so in its discretion, having regard to factors including the size of your shareholding as at the Record Date and the total applications received from Eligible Shareholders. If this happens you may be issued SPP Shares to a value that is less than the value of SPP Shares you applied for and the difference will be refunded to you (without interest).

Refunds

Any application monies refunded by NTU will be paid by cheque or direct credit (the payment method will be determined by NTU in its absolute discretion) in Australian currency. By applying for SPP Shares, each Shareholder authorises NTU to pay any monies to be refunded by using the payment instructions of the Shareholder recorded in the Registry's records if NTU should elect to pay in this manner.

If you apply by EFT but fail to include the unique reference number, please contact the Registry on 1300 288 664 (within Australia), +61 2 9698 5414 (outside Australia) between 5.30am and 5.00pm (Perth time) or at corporate.actions@automic.com.au to arrange your refund.

More information

If you have any questions in relation to how to participate in the SPP, please contact the Registry on 1300 288 664 (within Australia), +61 2 9698 5414 (outside Australia) between 5.30am and 5.00pm (Perth time) or at corporate.actions@automic.com.au or consult your financial or other professional adviser.

If you have any questions in relation to whether an investment in NTU through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

4 Terms and conditions of the SPP

Important notice and disclaimer

This Booklet does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the SPP having regard to your investment objectives, financial situation or particular needs. Shareholders should seek independent financial and taxation advice before making any investment decision in relation to these matters.

The offer of SPP Shares under the SPP Offer is made in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, which grants relief from the requirement for NTU to provide prospectus disclosure in relation to the SPP. This Booklet does not constitute a prospectus or product disclosure statement, and has not been lodged with ASIC. The issue of a prospectus or product disclosure statement is not required for the purpose of the SPP Offer. You must rely on your own knowledge of NTU, previous disclosure made by NTU to ASX and if necessary, consult with your professional adviser when deciding whether or not to participate in the SPP Offer.

If you participate in the SPP, you are accepting the risk that the market price of Shares may change between the Record Date, the date on which you make a payment by BPAY® or ETF and the Issue Date. This means that, up to and/or after the Issue Date, you may be able to buy Shares on ASX at a lower price than the Issue Price.

Please read these terms and conditions carefully, as you will be bound by them in participating in the SPP. Shareholders accepting the SPP Offer will also be bound by the constitution of NTU.

The previous sections of this Booklet and the Application Form form part of these terms and conditions.

4.1 Offer

- (a) NTU offers each Eligible Shareholder the opportunity to purchase up to \$30,000 worth of SPP Shares under the SPP subject to and in accordance with the terms and conditions set out below, in the previous sections of this Booklet and the Application Form (**SPP Offer**).
- (b) The SPP Offer opens on Thursday, 3 November 2022 and closes at 2.00pm (Perth time) Thursday, 24 November 2022 (or such other date as NTU determines, in its absolute discretion).
- (c) Participation in the SPP is voluntary. If you choose not to participate in the SPP, your right to participate lapses at the Closing Date, being 2.00pm (Perth time) Thursday, 24 November 2022 (or such other date as NTU determines, in its absolute discretion).
- (d) The SPP Offer is non-transferable and, therefore, Eligible Shareholders cannot transfer their right to purchase SPP Shares to a third party.
- (e) The SPP Offer to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same terms and conditions.
- (f) All references to \$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.

4.2 Eligible Shareholders

- (a) You are eligible to participate in the SPP Offer if you:

- (1) were registered on the Register as a Shareholder at 4.00pm (Perth time), Tuesday, 25 October 2022 (**Record Date**);
 - (2) had a registered address in either Australia or New Zealand at that time as shown on the Register; and
 - (3) are not in the United States and are not acting for the account or benefit of a person in the United States (or, in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the SPP in respect of that person).
- (b) The SPP is also extended to Eligible Shareholders who are Custodians or nominees, in accordance with clauses 4.3(b) and 4.4(e) below.
 - (c) The SPP Offer is not made to Shareholders with a registered address outside of Australia and New Zealand.

Shareholders in the United States are not eligible to participate in the SPP. Similarly, Shareholders who hold Shares on behalf of persons in the United States, or are acting for the account or benefit of persons in the United States, are not eligible to participate in the SPP on behalf of those persons.

4.3 Joint holders and Custodians and nominees

- (a) If two or more persons are registered on the Register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification given by any of them is taken to be a certification given by all of them.
- (b) Subject to these terms and conditions, Eligible Shareholders who are Custodians or nominees may participate in the SPP on behalf of each Eligible Beneficiary on whose behalf the Custodian or nominee is holding Shares. Due to legal restrictions, Custodians and nominees may not distribute the SPP Booklet to any person in, and may not participate in the SPP on behalf of any beneficial Shareholder in the United States. In the event that a Custodian or nominee is acting for the account or benefit of a person in the United States, it is not permitted to participate in respect of that person.

4.4 Applications for SPP Shares

- (a) Eligible Shareholders may apply for SPP Shares in parcels valued at \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$15,000, \$20,000 or \$30,000.
- (b) No brokerage or other transaction costs will apply to the acquisition of SPP Shares.
- (c) Eligible Shareholders who wish to apply for SPP Shares must either make a payment for the appropriate amount via BPAY® or EFT in accordance with the instructions at <https://investor.automic.com.au/#/home> website so that it is received prior to **2.00pm (Perth Time) on Thursday, 24 November 2022**.
- (d) Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for SPP Shares but may not apply for SPP Shares with an aggregate value of more than \$30,000.
- (e) If you wish to subscribe for SPP Shares as a Custodian or nominee for one or more Eligible Beneficiaries, you must also complete and submit a Custodian Certificate that contains certifications and details (required under the terms of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*) before your application will be accepted. Applications by Custodians or nominees

that are not accompanied by a duly completed Custodian Certificate will be rejected. To request a Custodian Certificate or for further information about the custodian application process, please contact the Registry on 1300 288 664 (within Australia), +61 2 9698 5414 (outside Australia) between 5.30am and 5.00pm (Perth time) or at corporate.actions@automic.com.au.

- (f) NTU may accept or reject your application for SPP Shares in whole or in part in its discretion including, without limitation, if:
- (1) your application does not comply with these terms and conditions;
 - (2) it appears you are not an Eligible Shareholder;
 - (3) your BPAY® or EFT payment is not received by the Closing Date;
 - (4) it appears that you are applying to purchase more than \$30,000 of SPP Shares in aggregate (including as a result of Shares you hold directly, jointly or through a custodian or nominee arrangement) or your application is not for an amount of \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$15,000, \$20,000 or \$30,000;
 - (5) payment of the application monies is not submitted in Australian currency; or
 - (6) the amount of your BPAY® or EFT payment is not equal to the amount of your application. If this occurs, NTU will:
 - (A) refund in full your application monies and not issue any SPP Shares to you; or
 - (B) issue to you the number of SPP Shares that would have been issued had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your application monies (without interest).
- (g) If you are entitled to a refund of all or any of your application monies, the refund will be paid to you, without interest, as soon as is practicable by direct credit to your nominated account (as recorded on the Register) or cheque.

4.5 Issue Price

- (a) The Issue Price per SPP Share is \$0.04 which is the issue price of Shares under the initial placement to Iluka announced to ASX on 26 October 2022.
- (b) The current Share price can be obtained from ASX.
- (c) You agree to pay the Issue Price per SPP Share for the number of SPP Shares calculated under clause 4.6(a) or, if there is a scale back, the number of SPP Shares calculated under clause 4.10.

4.6 Number of SPP Shares to be issued

- (a) If you apply for SPP Shares, you will apply for a certain value, rather than a certain number, of SPP Shares. If your application is accepted, NTU will divide the value of your application monies by the Issue Price (as determined under clause 4.5(a)) in order to determine the number of SPP Shares which, subject to scale back, will be issued to you.
- (b) If this calculation produces a fractional number, the number of SPP Shares issued will be rounded up to the nearest whole SPP Share.

4.7 Issue of SPP Shares

- (a) SPP Shares will be issued on the Issue Date.
- (b) SPP Shares will rank equally with existing Shares as at the Issue Date.
- (c) NTU will apply to ASX for the quotation of SPP Shares. It is anticipated that SPP Shares will be quoted on ASX the next trading day after their issue.
- (d) The Registry will send you a holding statement, confirming the issue of SPP Shares, on or around Friday, 2 December 2022.

4.8 Shareholders outside Australia and New Zealand

- (a) The laws of some countries prohibit or make impracticable participation in the SPP by certain overseas Shareholders. Shareholders who are not resident in Australia or New Zealand will not be able to participate in the SPP. The SPP does not constitute an offer of Shares for sale or issue in any other jurisdiction.
- (b) The SPP Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of NTU at the Record Date with registered addresses in New Zealand to whom the offer of SPP Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).
- (c) This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.
- (d) Shareholders in the United States are not eligible to participate in the SPP. Similarly, Shareholders (including Custodians and nominees) who hold Shares on behalf of persons in the United States, or are acting for the account or benefit of persons in the United States, are not eligible to participate in the SPP on behalf of those persons.

4.9 Acknowledgements

By making a payment via BPAY® or EFT, you:

- (a) are deemed to have accepted the SPP Offer and you irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (b) warrant that all details and statements in your application are true and complete and not misleading;
- (c) agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn);
- (d) warrant that you are an Eligible Shareholder and are eligible to participate in the SPP;
- (e) acknowledge that no interest will be paid on any application monies held pending the issue of SPP Shares or subsequently refunded to you for any reason;
- (f) acknowledge that NTU and its officers and agents, are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;

- (g) agree to pay the Issue Price per SPP Share up to the maximum value of your BPAY® or EFT payment.
- (h) acknowledge and agree that:
- (1) you are not in the United States and are not acting for the account or benefit of a person in the United States (or, in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the SPP in respect of that person);
 - (2) the SPP Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and accordingly, the SPP Shares may not be offered or sold, directly or indirectly in the United States;
 - (3) you have not, and will not, send this Booklet or any materials relating to the SPP to any person outside of Australia or New Zealand, including in the United States;
 - (4) if in the future you decide to sell or otherwise transfer the SPP Shares, you will only do so in the regular way for transactions on ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
 - (5) if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating is resident in Australia or New Zealand (and is not in the United States and is not acting for the account or benefit of a person in the United States), and you have not sent this Booklet, or any materials relating to the SPP to any person outside Australia and New Zealand (including, without limitation, to any person in the United States or to any person acting for the account or benefit of a person in the United States);
- (i) if you are applying on your own behalf (and not as a Custodian or nominee), acknowledge and agree that:
- (1) you are not applying for SPP Shares with an application price of more than \$30,000 under the SPP (including by instructing a Custodian or nominee to acquire SPP Shares on your behalf under the SPP); and
 - (2) the total of the application price for the following does not exceed \$30,000:
 - (A) the SPP Shares the subject of the application;
 - (B) any other Shares issued to you under the SPP or any similar arrangement in the 12 months before the application;
 - (C) any other SPP Shares which you have instructed a Custodian or nominee to acquire on your behalf under the SPP; and
 - (D) any other Shares issued to a Custodian or nominee in the 12 months before the application as a result of an instruction given by you to the Custodian or nominee to apply for Shares on your behalf under an arrangement similar to the SPP;
- (j) if you are a Custodian or nominee and are applying on behalf of an Eligible Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
- (1) you are a Custodian (as that term is defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*) or a nominee;

- (2) you held Shares on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for SPP Shares on their behalf under the SPP and that that Eligible Beneficiary has been given a copy of this Booklet;
 - (3) you are not applying for SPP Shares on behalf of any Eligible Beneficiary with an application price of more than \$30,000 under the SPP; and
 - (4) the information in the Custodian Certificate is true, correct and not misleading;
- (k) accept the risk associated with any refund that may be dispatched to you by direct credit or cheque to your address shown on the Register;
 - (l) agree to be bound by the constitution of NTU;
 - (m) acknowledge that none of NTU, its advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
 - (n) you authorise NTU, and its officers and agents, to do anything on your behalf necessary for SPP Shares to be issued to you in accordance with these terms and conditions;

4.10 Scale back

- (a) To the extent it is necessary to scale back the number of SPP Shares that will be issued to Eligible Shareholders under the SPP, NTU may in its absolute discretion determine to issue you less than the number of SPP Shares you have applied for.
- (b) In determining the number of SPP Shares you will receive in the event of a scale back, NTU may in its absolute discretion consider several factors including the size of your shareholding as at the Record Date and the total applications received from Eligible Shareholders.
- (c) If a scale back produces a fractional number of SPP Shares when applied to your parcel, the number of SPP Shares you will be issued will be rounded up to the nearest whole number of SPP Shares.
- (d) If there is a scale back, the difference between the application monies received from you, and the number of SPP Shares allocated to you multiplied by the Issue Price will be refunded to you (without interest).

4.11 Dispute resolution

- (a) NTU may settle, in any manner it deems appropriate, any difficulties, anomalies, or disputes which may arise in connection with, or by reason of, the operation of the SPP whether generally or in relation to any participant or any application for SPP Shares, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.
- (b) The powers of NTU under these terms and conditions may be exercised by the Directors or any delegate or representative of the Directors.

4.12 Variation and termination

- (a) NTU reserves the right at any time to:
 - (1) amend or vary these terms and conditions;

- (2) waive strict compliance with any provision of these terms and conditions;
 - (3) withdraw the SPP Offer or suspend or terminate the SPP;
 - (4) vary the timetable for the SPP, including the Closing Date; and
 - (5) not accept an application, not issue SPP Shares or issue SPP Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a Custodian or nominee applying on behalf of its Eligible Beneficiaries).
- (b) In the event that the SPP is withdrawn or terminated, all application monies will be refunded. No interest will be paid on any money returned to you.

4.13 Privacy policy

- (a) Chapter 2C of the Corporations Act requires information about a shareholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a shareholder.
- (b) NTU and the Registry may collect personal information to process your application, implement the SPP and administer your holding of Shares. The personal information contained in the Register is also used to facilitate payments and corporate communications (including financial results), annual reports and other information to be communicated to Shareholders, and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.
- (c) Your personal information may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers, technology providers and professional advisers), related entities of NTU and its agents and contractors, and ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.
- (d) A copy of NTU's privacy statement, which describes how we manage your personal information, is available at <https://northernminerals.com.au/privacy-policy>.

4.14 Underwriting

The SPP is not underwritten.

4.15 Governing law

These terms and conditions are governed by the laws in force in Western Australia. Any dispute arising out of, or in connection with, these terms and conditions, or the SPP Offer, will be determined by the courts of Western Australia. By accepting the SPP Offer, you agree to submit to the exclusive jurisdiction of the courts in Western Australia.

5 Glossary

The following definitions apply throughout this Booklet unless the context requires otherwise.

Term	Meaning
\$	Australian dollars.
Application Form	your personalised application form accompanying this Booklet.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691), or the market operated by it, as the context requires.
Beneficiary	a person on whose behalf a Custodian or nominee is holding Shares at 4.00pm (Perth time) on the Record Date.
Booklet	this document.
Closing Date	2.00pm (Perth time) Thursday, 24 November 2022 (or such other date as NTU determines, in its absolute discretion).
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Custodian	a custodian as defined in paragraph 4 of <i>ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547</i> .
Custodian Certificate	a certificate complying with paragraph 8(3) of <i>ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547</i> .
Directors	the directors of NTU.
Eligible Beneficiary	a Beneficiary with a registered address in either Australia or New Zealand, provided that such Beneficiary is not in the United States.

Term	Meaning
Eligible Shareholder	a Shareholder who is a registered holder of Shares at 4.00pm (Perth time) on the Record Date with a registered address in either Australia or New Zealand as shown on the Register.
Issue Date	Thursday, 1 December 2022 (or such other date as NTU determines, in its absolute discretion).
Issue Price	the price per SPP Share as determined under section 4.5 of the terms and conditions set out in this Booklet.
Listing Rules	The listing rules of the ASX.
NTU	Northern Minerals Limited (ACN 119 966 353)
Opening Date	Thursday, 3 November 2022.
Record Date	4.00pm (Perth time), Tuesday, 25 October 2022.
Register	the register of Shareholders.
Registry	Automic Pty Ltd (ACN 152 260 814).
Share	a fully paid ordinary share in NTU.
Shareholder	a registered holder of a Share.
SPP	the Share Purchase Plan offer made to Eligible Shareholders under the terms of this Booklet.
SPP Offer	the offer in section 4.1 of the terms and conditions set out in this Booklet.
SPP Shares	the Shares in NTU offered pursuant to the SPP Offer to Eligible Shareholders under the terms of this Booklet.

Term	Meaning
U.S. Securities Act	the U.S. Securities Act of 1933, as amended.

Schedule 1

Key Risks

NTU is subject to a variety of risk factors. Some of these are specific to its business activities, while others are of a more general nature. Individually, or in combination, these risk factors may adversely affect the operating and financial performance or position of NTU, which in turn may affect the value of its Shares and the value of an investment in NTU.

The risks outlined below are not intended to be an exhaustive list of the risks associated with an investment in NTU, either now or in the future, and this information should be considered in conjunction with all other information in this Booklet and the ASX announcement and investor presentation issued by NTU on Wednesday, 26 October 2022. Additional risks and uncertainties that NTU may be unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect NTU's operating and financial performance or position. Many of the risks described below are outside the control of NTU, its Directors and management. There is no guarantee that NTU will achieve its stated objectives or that any forward looking statements or forecasts will eventuate.

The Booklet, including this Schedule 1, is not financial product advice and has been prepared without taking into account your investment objectives or personal circumstances. Before investing in SPP Shares, you should consider whether an investment in SPP Shares is suitable for you. You should consider publicly available information on NTU (such as that available on the websites of NTU and ASX), carefully consider your personal circumstances and consult your stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

Exploration, production and project development

The future financial performance and position of NTU (and its subsidiaries) (the “**Group**”), and the value of Shares are directly related to the results of exploration, development and production activities undertaken by the Group, and in particular its ability to successfully commercialise the Browns Range Project. Exploration, project development and production involves significant risk. There can be no assurances that the Browns Range Project will be implemented as planned by NTU, and it may cost more or take longer than anticipated, or fail to occur for a number of reasons, including the occurrence of many of the events outlined in these risk factors.

Exploration is a speculative endeavour. No assurances can be given that funds spent on exploration will result in rare earths and other minerals in commercial quantities being discovered or in projects that will be commercially viable.

In relation to Browns Range (and any other projects that reach a similar stage), reaching commercial production is dependent on a number of steps, including successful completion of the definitive feasibility study (**DFS**), a positive final investment decision (**FID**), receipt of sufficient funding, receipt of necessary regulatory approvals and construction of the mine and commercial-scale beneficiation plant. The project may not proceed if any step is not successfully completed which may occur for any number of reasons. For example, the DFS may find that the project is not commercially viable or requires funding beyond that which is available to NTU.

Furthermore, development of and production from rare earths projects is subject to many risks, including low side reserve outcomes, cost overruns, and production delays, decreases or stoppages, which may be the result of construction delays, commissioning delays, facility shutdowns, inclement weather conditions, mechanical or technical failure,

scheduling disruptions, shortages, volatility in the price of consumables and other unforeseen events. Construction issues or commissioning delays could result in the Group lowering reserve and production forecasts, loss of revenue, increased working capital requirements, and additional operating costs to restore production. In some instances, a loss of production may require significant capital expenditure to resolve, which could require the Group to seek additional funding. These risks can adversely affect, delay or prevent the successful implementation of the Brown Range Project and can negatively impact the Group's financial performance.

The Group's rare earths and other products may fail to meet product quality requirements and material specifications required by buyers (including Iluka under the Supply Agreement). Buyers may have the right to reject such products under the terms of the relevant offtake agreement, which may result in the Group needing to sell such products on less favourable terms and/or re-supply product to the contract specification, which could have a material adverse effect on the Group's financial performance and position.

Operating Risks

The operations of the Group are subject to operating risks and hazards including, but not limited to, fire, explosions, environmental hazards, technical failures, unusual or unexpected geological conditions, adverse weather conditions, cyclones and other incidents or conditions. The occurrence of any of these risks could result in substantial losses to the Group due to personal injury or loss of life; damage to or destruction of property, natural resources, or equipment; pollution or other environmental damage; clean up responsibilities; regulatory investigation and penalties; or suspension of operations. Damages occurring to third parties as a result of such risks may give rise to claims against the Group. The occurrence of any of these circumstances could result in the Group not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Group's financial and operational performance. Materials handling risks remain as the Group moves from development to construction, commissioning and production. Product recoveries are dependent upon metallurgical processes and contain elements of risk, such as changes in the mineralogy in the ore deposit resulting in inconsistent product recovery, adversely affecting the economic viability of the product.

Volatility of the price of rare earth elements

NTU's future revenue will be affected by market fluctuations in rare earth prices. This is because a pricing component of the Group's products under the Supply Agreement with Iluka is calculated by pricing formulae that references published market prices of various rare earths materials. Furthermore, the Group may in the future supply products outside this arrangement in the spot market or to other customers under contracts with similar provisions. The market prices of rare earths have been volatile in the past because they are influenced by numerous factors and events that are beyond the control of NTU. These include:

- **Supply side factors:** Supply side factors are a significant influence on price volatility for rare earth materials. Supply of rare earth materials is dominated by Chinese producers. The Chinese Central Government regulates production via quotas and environmental standards. Over the past few years, there has been significant restructuring of the Chinese market in line with China Central government policy. However, periods of over supply or speculative trading of rare earths can lead to significant fluctuations in rare earth pricing.
- **Demand side factors:** Demand side factors are also a significant influence on price volatility for rare earth materials. Demand for end products that utilise the Group's rare earths including internal combustion vehicles, hybrid vehicles, electric vehicles and electronic devices fluctuates due to factors including global economic trends, regulatory developments and consumer trends. Adverse

changes in such factors could reduce demand for the Group's rare earths which could lead to a fall in rare earth pricing.

- **Geopolitical Factors:** Recently rare earths have been the focus of significant attention, including as a result of the recent trade tensions between the US and China.

Volatility in rare earth prices creates revenue uncertainty and if production begins careful management of the Group's financial performance and cash flows will be required to ensure that operating cash margins are maintained despite falls in rare earth prices. Changes in rare earth prices may have a positive or negative impact on the Group's operation and production plans and its ability to fund those plans.

Strong rare earth prices, as well as real or perceived disruptions in supply, may create economic incentives to identify or create alternate technologies that do not use or reduce the use of rare earths, which ultimately could depress future long-term demand for rare earths. If industries reduce their reliance on rare earth products, the resulting change in demand could have a material adverse effect on NTU's business. Strong rare earth prices could also incentivise third parties to develop additional mining projects to produce rare earth materials, which would increase the supply of rare earth materials (see below for further details on competition risks). If prices for rare earths were to decline due to a decrease in demand for or additional supply of rare earths, this could impair NTU's ability to obtain financing for current or additional projects and its ability to find purchasers for its products at prices acceptable to NTU.

It is impossible to predict future rare earths price movements with certainty. Any sustained low rare earths prices or further declines in the prices of rare earths, including as a result of periods of over supply and/or speculative trading of rare earths, will adversely affect NTU's business, results of operations and its ability to finance planned capital expenditures, including development projects.

Further, if the Group achieves success leading to rare earths production, the revenue it will derive through the sale of product exposes the potential income of the Group to exchange rate risks. International prices of various commodities are denominated in United States dollars, whereas the income and expenditure of NTU will be taken into account in Australian currency, exposing NTU to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. In addition, NTU may be exposed to exchange rate risk in that plant and equipment that may be purchased for the Browns Range Project development, such purchases maybe be denominated in foreign currencies and the Group may suffer exchange rate losses if the Australian Dollar depreciates against these currencies.

Funding Arrangements

The Group is reliant on the funds expected to be raised under the Iluka arrangements and SPP to fund its operations and complete the DFS for the mine and commercial scale beneficiation plant. It is reliant on receipt of further debt and equity funding to develop the mine and commercial scale beneficiation and commence production.

The issue of SPP Shares requires shareholders take up of the SPP and the issue of the Iluka Tranche 2B Call Option requires shareholder approval. If Shareholders do not fully subscribe to the SPP and do not approve the issue of the Tranche 2B Call Option then this would result in NTU not raising a material portion of the expected funding.

Further, the issue of Shares under the Iluka Tranche 2A Placement and Tranche 2B Put Option are subject to a number of conditions, some of which are not within the control of NTU or its Directors. If the conditions are not satisfied or waived, this would also result in NTU not raising a significant portion of the expected funding. For example, shareholder approval of the Iluka Tranche 2B Call Option is a condition of the Iluka Tranche 2B Put Option. Failure to raise the expected funds means that NTU would need to seek alternative sources of financing, which may only be available on unfavourable terms or may not be

available at all. Failure to secure funds or securing funds on unfavourable terms could hinder the Group's ability to execute its operational and development plans and have a material adverse effect on the Group's financial performance and share price. Furthermore, certain transaction costs in relation to the Iluka arrangements and SPP, such as legal and other advisory fees, will still be payable by NTU even if the expected funds are not raised by NTU.

NTU will need to secure further funding for the Browns Range Project in addition to the funds to be raised under the Iluka arrangements and SPP. Further, Iluka may elect to redeem the Iluka Convertible Note in certain circumstances, including where an event of default or change in control event in respect of NTU occurs. The Group may not have sufficient cash to meet its repayment obligations if the Iluka Convertible Note is redeemed and will need to seek external funding. Additional funding for the Browns Range Project or to make a redemption payment may not be available or may only be available on onerous terms. Any additional equity financing may dilute existing shareholders (see below for further details on the risk of shareholding dilution), and debt financing may involve restrictions on the Group's financing and operating activities. Failure to obtain funding or obtaining funding on onerous terms could have a material adverse effect on NTU's ability to achieve its goals.

In order to obtain debt financing, a new security package will need to be agreed between the lenders of NTU and NTU. As part of this security package the lenders of NTU, NTU and Iluka will need to agree to:

- a tripartite and priority deed in respect of the Supply Agreement and the securities provided to Iluka by NTU in relation to the Supply Agreement; and
- a priority deed in relation to the Iluka Convertible Note and the securities provided to Iluka by NTU in relation to the Iluka Convertible Note.

There is no guarantee that such security package (including any tripartite or priority deed referred to above) can be agreed between the parties. Furthermore, prospective debt financiers of NTU will also take into account the terms of the other arrangements between NTU and Iluka when deciding to provide funding, including the terms of the Supply Agreement. If prospective financiers are not satisfied as to the terms of these arrangements, this may impact NTU's ability to obtain debt funding in the amount desired or at all, and there is no guarantee NTU will be able to re-negotiate the arrangements with Iluka if required or desirable.

If there is a deterioration in the level of liquidity in the debt or equity markets, or the terms on which debt or equity is available (including the terms of the security arrangements required in connection with debt financing), this may prevent NTU from raising this further funding or any funding to replace any shortfall in expected funds under the Iluka arrangements and SPP. Consequently, if NTU is unable to access funding when required, this may have a material adverse effect on NTU's financial position and hinder its ability to realise its operational and development plans.

Reliance on key personnel and advisors

The ability of the Group to achieve its objectives depends on the engagement of key employees, directors and external contractors and advisers that provide management and technical expertise.

If the Group cannot secure technical expertise (for example to carry out development activities) or if the services of the present management or technical team cease to be available to the Group, this may affect the Group's ability to achieve its objectives either fully or within the timeframes and the budget that it has forecast. Additionally, labour shortages, industrial disruptions, work stoppages and accidents in the course of operations may adversely affect the Group's operational and financial performance.

Nature of mining

Mineral mining involves risks, which even with a combination of experience, knowledge and careful evaluation may not be able to be fully mitigated. Mining operations are subject to hazards normally encountered in exploration and mining. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment, which may cause a material adverse impact on NTU's operations and its financial results. Projects may not proceed to plan with potential for delay in the timing of targeted output, and NTU may not achieve the level of targeted mining output. Mining output levels may also be affected by factors beyond NTU's control.

Material Contracts

The Group's relationships with third parties (including Iluka) are underpinned by contractual arrangements. There are risks that these material contracts may contain unfavourable provisions, or be terminated, not renewed or renewed on less favourable terms.

Supply agreement

NTU has entered into the Supply Agreement with Iluka in respect of rare earths product from the Browns Range Project. The Supply Agreement is subject to a number of conditions including completion of the definitive feasibility study in relation to Browns Range by NTU, NTU making a positive FID in relation to the Browns Range Project, and both parties achieving financial close and first draw-down under financing arrangements (in the case of Iluka, in relation to funding for its Eneabba refinery). Failure to satisfy any conditions precedent may result in one or both of NTU and Iluka being entitled to terminate the Supply Agreement. Iluka has a right of first refusal to purchase rare earths product from the Browns Range Project for a two-year period from the date of the agreement if terminated due to failure to satisfy a condition.

The Supply Agreement contains additional termination provisions including where the Browns Range Project does not achieve specified performance milestones by 30 June 2028, or if a force majeure event prevents the whole or part of the Supply Agreement from being performed for a period exceeding 6 months. If the Supply Agreement is terminated and Iluka does not exercise any right of first refusal to purchase the product, or if the agreement remains on foot but Iluka fails to take the expected quantities under the Supply Agreement, there is no certainty that NTU will be able to enter into additional offtake agreements. An inability to enter into additional offtake arrangements on terms satisfactory to NTU, or at all, could adversely impact NTU's ability to develop or sustain the Browns Range Project.

The Supply Agreement is structured on the basis that NTU must sell and deliver, and Iluka must purchase and take, 100% of the product produced at the Browns Range Project, up a maximum annual quantity. NTU also has an obligation to supply and sell a minimum annual quantity. Both the minimum and maximum annual quantities are calculated by reference to a production forecast which will be updated bi-annually by NTU, and subject to Iluka's approval. Failure to deliver minimum quantity requirements may ultimately result in termination or exercise of step in rights by Iluka. A failure of NTU to supply the minimum annual quantities of product, or to supply product that meets the specification, may also adversely affect the revenue to be derived from the Browns Range Project. Similarly, a failure of Iluka to take the contemplated quantities of product on the agreed terms or otherwise, whether or not in breach of the Supply Agreement, may adversely affect the revenue to be derived from the Browns Range Project.

Iluka can exercise step-in rights in certain circumstances involving a breach of the agreement by NTU for the purposes of remedying such default. During the exercise of the step-in right, NTU must indemnify Iluka for all costs, loss and liability suffered in the exercise or enforcement of Iluka's step-in rights. The Group's financial performance may be adversely impacted if Iluka exercises the step in right, particularly if it makes a claim

under the indemnity. In addition, if a default occurs under the Supply Agreement, Iluka will have the right to exercise its enforcement rights under the general security agreement and mining mortgage to recover any secured moneys owing to Iluka, and ensure performance of the obligations owing to Iluka, under the Supply Agreement. Exercise of the security agreement may have a material adverse effect on NTU.

Reserves and resource estimates

No assurance can be given that the anticipated tonnages and grades of ore will be achieved during production or that the anticipated level of recovery will be realised. Mineral resource and ore reserve estimates are based upon estimates made by NTU's personnel and independent consultants. Estimates are inherently uncertain and are based on geological interpretations and inferences drawn from drilling results and sampling analyses. There is no certainty that any mineral resources or ore reserves identified by NTU will be realised, that any anticipated level of recovery of minerals will be realised, or that an identified ore reserve or mineral resource will be a commercially mineable (or viable) deposit which can be legally and economically exploited. Further, the grade of mineralisation which may ultimately be mined may differ materially from what is estimated. The quantity and resulting valuation of ore reserves and mineral resources may also vary depending on, amongst others, metal prices, cut off grades and estimates of future operating costs (which may be inaccurate). Production can be affected by many factors. Any material change in the quantity of ore resources, mineral reserves, grade, or stripping ratio may affect the economic viability of any project undertaken by NTU. NTU's estimated mineral resources and ore reserves should not be interpreted as assurances of commercial viability or potential or of the profitability of any future operations. NTU cannot be certain that its mineral resource and ore reserve estimates are accurate and cannot guarantee that it will recover the expected quantities of metals. Future production could differ dramatically from such estimates including for, but not limited to, the following reasons:

- actual mineralisation or rare earths grade could be different from those predicted by drilling, sampling, feasibility or technical reports;
- increases in the capital or operating costs of the mine;
- decreases in rare earth oxide prices;
- changes in the life of mine plan;
- the grade of rare earths may vary over the life of a NTU project and NTU cannot give any assurances that any particular mineral reserve estimate will ultimately be recovered; or
- metallurgical performance could differ from forecast.

The occurrence of any of these events may cause NTU to adjust its mineral resource and reserve estimates or change its mining plans. This could negatively affect NTU's financial condition and results of operations. Moreover, short term factors, such as the need for additional development of any of NTU's project or the processing of new or different grades, may adversely affect NTU. As a result, investors are cautioned not to place undue reliance on any estimates made by NTU.

Changes in reserve or resource estimates could also impact the Group's ability to obtain debt or equity funding, which may adversely impact its operations and financial performance and position.

Environmental

The Group's exploration, development and production activities are subject to environmental laws, regulations and social responsibility commitments. The legal framework governing this area is complex and constantly developing. There is a risk that the environmental laws and regulations may become more onerous, making the Group's operations more expensive or causing delays. Non-compliance with these laws and

regulations may potentially result in fines, restrictions on activities or requests for improvement actions from the regulator (which may be costly) or could result in reputational harm. The Group may also become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past activities for which it was not responsible.

The Group's operations are subject to Western Australian and Commonwealth environmental laws and regulations, including laws and regulations on hazards and discharge of hazardous waste and materials. The mining and processing of Normally Occurring Radioactive Materials ("NORM") and the disposal of radioactive waste is subject to additional laws and regulations. The cost of compliance with these laws and regulations may impact the cost of exploration, development, construction, operation of the production facilities and mine closure costs.

Undertaking the Browns Range Project will require a number of primary and secondary environmental approvals. There is no guarantee that those approvals will be granted. Similarly there is no guarantee that those approvals will be granted on conditions or for a term that would be economic. Failure to obtain necessary approvals on desirable terms when anticipated may prevent or delay the Group from developing the Browns Range Project.

ESG risks

The current global supply chain for heavy rare earths is exposed to considerable ESG risks which may adversely affect the Group, its customers or the supply chain generally. NTU could be adversely affected if there are material changes to legal or regulatory requirements around ESG issues, especially if these are not identified and dealt with. Evolving community attitudes towards, and increasing regulation and disclosure in relation to, ESG issues (eg the integrity and traceability of supply chains) may also affect the operation of the Group's business.

Increased expectations, and in particular the failure to meet those expectations, with respect to ESG matters may impact the profitability or value of the Group's business, restrict NTU's ability to attract financing or investment, result in heightened compliance costs associated with meeting prevailing regulatory and disclosure standards or adversely impact the reputation of NTU, any of which may have an adverse effect on NTU's business, financial position and prospects.

Title/Land Tenure

Securing and maintaining tenure over mining tenements is critical to the future development of the Group's projects. All mining tenements that the Group may acquire either by application, sale and purchase or farm in are regulated by the applicable state mining legislation. There is no guarantee that applications will be granted as applied for (although the Group has no reason to believe that tenements will not be granted in due course). Various conditions may also be imposed as a condition of grant. In addition, the relevant minister may need to consent to any transfer of a tenement to the Group.

Renewal of titles is made by way of application to the relevant department. There is no guarantee that a renewal will be automatically granted other than in accordance with the applicable state mining legislation. In addition, the relevant department may impose conditions on any renewal, including relinquishment of ground.

Legislative changes, government policy and approvals

Mining operations, development projects and exploration activities are subject to various laws, policies and regulations and to obtaining and maintaining the necessary titles, permits, authorisations, agreements and licences, and associated land access arrangements with landowners and local communities and various layers of Government, which authorise those activities under relevant law, including native title laws.

Changes in government, monetary policies, taxation and other laws in Australia or internationally may impact the Group's operations and financial performance and position.

The Group requires government regulatory approvals for its operations. The impact of actions, including delays and inactions, by state, local shire and federal governments, may affect the Group's activities including such matters as access to lands and infrastructure, compliance with environmental regulations, production and exploration activities. This may from time to time affect timing and scope of work to be undertaken.

No guarantee can be given that all necessary titles, permits, authorisations, agreements or licences will be provided to the Group by government bodies, or if they are, that they will be renewed.

Access

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both native title holders and landowners / occupiers are generally required before gaining access to land for exploration and mining activities. Inability or delays in gaining such access may adversely impact NTU's ability to undertake its proposed activities. NTU may need to enter into compensation and access agreements before gaining access to land.

NTU will also need to comply with Aboriginal heritage legislation requirements, which may require heritage survey work to be undertaken and consultation with Aboriginal parties. There is a risk of delays and costs being incurred in the event NTU is required to enter into agreements with Aboriginal parties prior to developing the Brown Range Project.

Force majeure

The Group's current or future projects and the price of NTU's Shares may be adversely affected by risks outside the control of the Group, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions. If any of these events or other similar events occur, there may be a material adverse impact on NTU's operations, financial performance and viability.

Communicable disease outbreaks

The outbreak of communicable diseases around the world (such as the novel coronavirus COVID-19) may lead to interruptions in operations, exploration, development and production activities, inability to source supplies or consumables and higher volatility in the global capital markets and price of rare earth elements or demand for the Group's product or otherwise impact the global economy, which may materially and adversely affect the Group's business, financial condition and results of operations.

In addition, such outbreaks may result in restrictions on travel and public transport, prolonged closures of facilities or other workplaces, lockdowns, quarantines and the potential for further government action that may have a material adverse effect on the Group and the global economy more generally. Any material change in the Group's operating conditions, the financial markets or the economy as a result of these events or developments may materially and adversely affect the Group's business, financial condition and results of operations.

Occupational health and safety

Exploration and production activities may expose the Group's staff and contractors to potentially dangerous working environments. If any of the Group's employees or contractors suffers injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business. Such an incident may also have an adverse effect on the Group's business (including financial position) and reputation.

Third party risk

The Group relies significantly on strategic relationships with other entities and also on a good relationship with regulatory and government departments and other stakeholders. The Group also relies on third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed. The Group could be adversely affected by changes to such relationships or difficulties in forming new ones.

Further, assets in which the Group holds an interest, including fixed assets and infrastructure / utilities, which the Group intends to utilise in carrying out its general business mandates, may be subject to interests or claims by third party individuals, groups or companies. If such third parties assert any claims, the Groups' activities may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for the Group.

Competition

NTU competes with other businesses, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than NTU and, as a result, may be in a better position to compete for future business opportunities. NTU's financial performance or operating margins could be adversely affected by the actions of existing competitors or new competitors who enter relevant markets. For example, these competing businesses may increase the supply of rare earth materials, which could result in a decline in rare earth prices (see above for further details on the risks associated with the volatility of the rare earth prices). There can be no assurance that NTU can compete effectively with these businesses. This could have a material adverse effect on the financial performance of the Group.

Insurance

Insurance of all risks associated with mineral exploration and production is not always available and, where available, the cost can be high. NTU maintains insurance within a coverage range that it considers to be consistent with industry practice and appropriate for its needs. The occurrence of an event that is uninsurable, not covered, or only partially covered by insurance could have a material adverse effect on NTU's business and financial position.

Major shareholder

As a result of the proposed arrangements with Iluka as described in NTU's announcements on 26 October 2022, Iluka may hold up to 19.9% of the shares in NTU.³ Iluka may be in a position to exercise influence in relation to matters of NTU requiring shareholder approval, including the election of Directors. Iluka may have interests that differ from other shareholders and may vote in a way with which other shareholders disagree or which may be adverse to their interests. This may affect the market price of NTU's shares.

Litigation risks

The Group is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, contractual or other disputes, occupational health and safety claims, employee claims and other regulatory investigations and disputes. Any such claim or dispute if proven, may impact adversely on the Group's operations, reputation, financial performance and financial position.

In addition, even if the Group is ultimately successful in any dispute (including any dispute where it is the claimant), such process may require significant management and financial

³ For further details on Iluka's potential shareholding in NTU, refer to the ASX announcement released by NTU on 26 October 2022.

resources which may distract from the operations of the business and adversely impact the Group's operating and financial performance.

Economic conditions and other global or national issues

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, current exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemic and pandemics, may have an adverse effect on the Group's operations. For example, the ongoing Russia-Ukraine conflict and interest rate environment have created and will continue to create significant uncertainties and volatility in global markets. In addition, COVID-19 has resulted in significant market falls and volatility both in Australia and overseas, including in the prices of equity securities. Any of these events and resulting fluctuations may materially adversely impact the market price of NTU's shares and ability to obtain funding.

Market conditions

There are general risks associated with investments in equity capital markets. Australian and international share market conditions may affect the value of NTU's quoted securities regardless of the Group's operating performance. Share market conditions are affected by many factors such as:

- expected and perceived general economic conditions and outlook;
- introduction of tax reform, government grants or other new legislation or proposed changes to it;
- movements in interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- announcement of new technologies;
- announcements and results of competitors;
- the demand for, and supply of, capital; and
- natural disasters, pandemics, geopolitical instability, terrorism or other hostilities.

It is also possible that new risks might emerge as a result of Australian or international markets experiencing extreme stress, or existing risks may manifest themselves in ways that are not currently foreseeable. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general over which NTU and its Directors have no control. Neither NTU nor its Directors warrant the future performance of NTU or any return on any investment in NTU.

Market liquidity

There can be no guarantee of an active market for NTU's shares or that the price of NTU's shares will increase. There may be relatively few potential buyers or sellers of NTU's shares at any time. This may increase the volatility of the market price of NTU's shares. It may also affect the prevailing market price at which shareholders are able to sell their shares in NTU.

Climate change risks

The main climate change risks are associated with changes in the frequency, intensity, spatial extent, duration, and timing of weather and climate events and conditions. Potential effects, such as those related to flooding, droughts, forest fires, insect outbreaks, erosion, landslides and others, may pose risks to operations and their safety, environmental, social and financial performance. Potential adverse effects may occur in terms of geotechnical stability, water supply systems and water balance, working conditions (humidity, heat

stress), construction schedules, site access, reclamation as well as supply chain disruptions (e.g. access to inputs, shipping of products), among others. Economic implications of climate change may pose additional risks through reduced global demand for products and increased costs of inputs, among others. The nature and intensity of potential adverse impacts of climate change cannot be precisely ascertained.

Dividends

Any future determination as to the payment of dividends by NTU will be at the discretion of the Directors and will depend on the financial condition of NTU, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends or franking credits attaching to dividends can be given by NTU.

Accounting standards

Australian Accounting Standards are set by the Australian Accounting Standards Board ("AASB") and are outside the control of NTU and its Directors. The AASB may, from time to time, introduce new or refined Australian Accounting Standards, which may affect future measurement and recognition of key income statement and balance sheet items. There is also a risk that interpretation of existing Australian Accounting Standards, including those relating to the measurement and recognition of key income statement and balance sheet items, may differ. Changes to the Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in NTU's consolidated financial statements.

Dilution risk

The issue of securities to Iluka will result in the dilution of existing shareholders. Furthermore, existing shareholders who do not participate in the SPP will have their percentage shareholding in NTU further diluted (and even if existing shareholders choose to participate in the SPP, they will be diluted to the extent their participation is for an amount that is less than their pro rata holding in NTU).

As noted in this Presentation, NTU will need to secure further funding for the Browns Range Project in the future. While NTU will be subject to the constraints of the ASX Listing Rules regarding the percentage of its issued capital it is able to issue within a 12-month period (other than where exceptions apply), shareholders may be diluted if NTU issues new shares in connection with future capital raising initiatives.

Taxation

The acquisition and disposal of SPP Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in NTU are urged to obtain independent financial advice about the consequences of acquiring SPP Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, NTU, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for SPP Shares under the SPP.

There is a potential for changes to taxation laws and changes in the way taxation laws are interpreted. Any changes to the current rate of company income tax or any changes to the tax treatment of NTU's operations is likely to affect shareholder returns.

An interpretation of taxation laws by the relevant tax authority that is contrary to NTU's view of those laws may increase the amount of tax to be paid or cause changes in the carrying value of tax assets in NTU's financial statements. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and shareholder dividends (if any).