

Rights Issue and Underwriting

Highlights

- Northern Minerals agrees to the request from Australia Conglin International Investment Group Pty Ltd (“**ACIIG**”) for part deferred payment of Rights Issue underwriting funds by ACIIG
- Recent loans from ACIIG to the company totalling \$8 million will be set-off against part of the Rights Issue underwriting and converted to Northern Minerals shares
- \$6 million of the underwriting funds will be paid by ACIIG on 22 July 2013
- Final instalment of \$11.11 million now payable by ACIIG by 16 September 2013

Northern Minerals (ASX:NTU) advises that it has granted a request by ACIIG for the deferred payment of the underwriting for the company’s recently closed Rights Issue.

Upon completion the fully underwritten Rights Issue will raise approximately \$26 million towards the funding of the work program for the Company’s Browns Range Heavy Rare Earth Project through to completion of a Bankable Feasibility Study.

The Rights Issue, which closed on 5 July, is fully underwritten by ACIIG, a related party to Northern Minerals’ major shareholder Conglin Yue. At a General Meeting on 28 June 2013 Northern Minerals shareholders overwhelmingly expressed their support for ACIIG’s role as underwriter of the Rights Issue, with 99.6% of lodged proxy votes in favour of the proposal.

Under the Rights Issue, shareholders were entitled to subscribe for one new share for every two shares held at an issue price of 20 cents per share. One option was also offered for every two new shares issued, at an exercise price of 30 cents and a term of two years.

Based on the number of shareholders who participated in the Rights Issue, ACIIG as the underwriter is obliged to subscribe for a total of 132,183,287 shares for a total subscription consideration of \$26.44 million.

Proceeds from the Rights Issue were due to be received from the Underwriter on 22 July 2013. On 8 July 2013 ACIIG requested an extension of time for the payment of a portion of its underwriting obligation. The Board of Northern Minerals has elected to grant the extension.

ACIIG has recently provided two separate interest free loans of \$4 million each (for a total of \$8 million) to enable Northern Minerals to continue its current extensive work program. Under the terms of the loans, this funding will now be credited against ACIIG’s underwriting obligations and converted to shares, leaving Northern Minerals debt free.



ACIIG has undertaken to make a payment of \$6 million by 22 July, for an aggregate of \$14 million (including the \$8 million loans set-off). The balance of the underwriting, totaling approximately \$11.11 million (net of underwriting fees), will be made in staged installments, with the final installment due to be paid by the Underwriter by 16 September 2013.

Given the change in underwriting payment schedule, those shareholders who have taken up their rights under the Rights Issue will now be given an opportunity to withdraw their acceptance by the nominated date set out in a Supplementary Prospectus to be lodged by the company. Further detail will be provided in the Supplementary Prospectus.

Northern Minerals Managing Director George Bauk said: “We remain committed to working closely with Australia Conglin International Investment Group to unlock the potential of Browns Range for all Northern Minerals shareholders.

“The Northern Minerals Board acknowledges the strong financial support ACIIG has shown for Northern Minerals in the past 12 months, most recently by providing two \$4 million interest free loans in the lead up to the completion of the Rights Issue.

“As a result, we already have the funding in place to complete our JORC drilling program this month, and to prepare our upgraded JORC Resource and Scoping Study.”

For more information:

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About Northern Minerals:

Northern Minerals Limited (ASX: NTU) is focused on development of rare earth elements (REE), with a large and prospective landholding in Western Australia and the Northern Territory. The Company’s flagship project is Browns Range, where it has a number of prospects with high value HRE in xenotime mineralisation. In particular, the mineralisation includes high levels of dysprosium and yttrium, which are in short supply globally and expected to be increasingly sought after as world economies stabilise and recent trends in urbanization and technology diffusion, particularly in Asia, accelerate. Following outstanding results from its drilling and metallurgical programs in 2012, the Company has delivered its maiden JORC resource, advancing Browns Range toward production, using a relatively simple and low cost processing flow sheet to produce a high grade mixed Rare Earth oxide. Northern Minerals also has a HRE exploration program underway at the geologically similar John Galt project. For more information, visit <http://www.northernminerals.com.au>.

