

Northern Minerals signs MOU for off-take

Highlights:

- Non-binding Memorandum Of Understanding (MOU) to agree an off-take arrangement signed with global leader in mining and materials.
- Off-take arrangement may account for sales of up to 1,500 tonnes per annum of HRE from the Browns Range project.
- MOU reinforces demand for the Browns Range HRE product, which is dominated by high value dysprosium and yttrium hosted within a xenotime mineral.
- MOU non-exclusive and allows Northern Minerals to pursue potential off-take agreements with other parties.
- Significant boost for the Browns Range project, with Northern Minerals aiming to be in production by 2015.

Northern Minerals (ASX: NTU) is pleased to announce it has executed a non-binding MOU for future off-take of Heavy Rare Earth (HRE) concentrate from the Browns Range project in northern Australia. The agreement is a significant milestone for Northern Minerals, providing further confidence in the Browns Range project as it moves through development towards production.

The MOU is with a major global mining and chemical company, which has proven expertise in the development, processing and supply chain integration of key commodities – including Rare Earth Elements (REE). The corporation has substantial global interests with a history of successful business ventures around the world, including Australia.

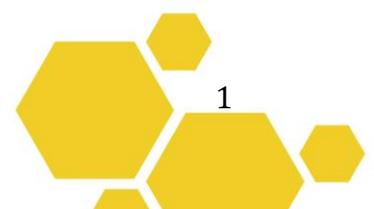
The MOU calls for the parties to negotiate with each other in good faith to agree an off-take arrangement for a term of 5 years commencing on commercial production, under which the partner will agree to purchase up to 1,500 tonnes TREO of product per annum at a price that is pre-determined in the MOU.

The MOU provides a framework through which the parties will co-operate and ultimately Northern Minerals will supply an agreed portion of the Browns Range production.

Subject to the successful completion of feasibility studies, Northern Minerals is aiming to commence production of HRE concentrate at Browns Range as early as 2015.

The Browns Range project has attracted considerable interest from potential international partners, due to its xenotime mineralisation and its dominance of HRE such as dysprosium and yttrium, which is projected to be in critically short supply by 2015.

The MOU has no exclusivity associated with it and allows Northern Minerals to continue pursuing other off-take arrangements with other rare earth processors.



Northern Minerals Managing Director George Bauk said the execution of the MOU is the result of more than 12 months of discussions and negotiations.

“This MOU is a major milestone for the Company. It reinforces the uniqueness of the Browns Range HRE product and the international demand there is for our high grade HRE,” he said.

“It also provides a real vote of confidence in our development strategy and the Northern Minerals team to deliver on this and take the project into production.”

“The agreement is for supply of a portion of the proposed production from Browns Range, at a price that reflects the high grade rare earth content. The fact that it is not for the entire anticipated production allows us to continue discussions with other parties to capture additional value in the future,” Mr Bauk said.

The MOU allows for supply of product as either a 30% TREO mineral concentrate or a 92% chemical concentrate. The supply of both product options is being considered by Northern Minerals, and will be subject to the outcome of further hydrometallurgical and economic feasibility studies.

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, heavy rare earth elements (HREE), in xenotime mineralisation. In particular, the mineralisation includes high levels of dysprosium and yttrium, which are in short supply globally. Following outstanding results from its drilling and metallurgical programs, the Company is aiming to deliver its maiden JORC resource by the end of 2012, and advance Browns Range toward production, using a relatively simple and low cost processing flow sheet to produce a high grade concentrate. Northern Minerals also has a HREE exploration program underway at the geologically similar John Galt project.

Northern Minerals also holds a number of non-REE assets, including the large and prospective Gardiner-Tanami project and Gardner Range JV project on the WA-NT border. The projects are located within the world-class Tanami-Arunta gold region and have a number of early stage gold targets. Northern Minerals is currently pursuing divestment options for these assets. For more information, visit www.northernminerals.com.au

