

Divestment of non-rare earth assets set to raise up to \$2.75M

Highlights

- Binding Tenement Sale Agreement to sell a package of exploration licences for \$1.25 million cash.
- Additional \$1.5 million cash to be received on discovery of a one million-ounce JORC-compliant Inferred Mineral Resource.
- Northern Minerals retains rare earth rights on all tenements.

Northern Minerals Limited (ASX: NTU; Northern Minerals) is pleased to advise that it has entered into a binding Tenement Sale Agreement with Northern Star Resources (ASX: NST; Northern Star Resources) to sell a package of exploration licences in the Tanami region of the Northern Territory for \$1.25 million in cash.

In addition, Northern Star Resources has agreed to pay a further \$1.5 million in cash upon establishment of a one million-ounce JORC-compliant Inferred Mineral Resource on the tenements, subject to the transaction.

The package includes 12 granted exploration licences covering 3350km² and a further 3360km² subject to exploration licence applications (*Figure 1*).

Under the deal, Northern Minerals will retain the rare earth rights on all ground, with Northern Star Resources holding the rights to all other minerals, including gold.

Northern Star will also gain the gold exploration rights at Northern Minerals' Boulder Ridge Rare Earth project in the Tanami region.

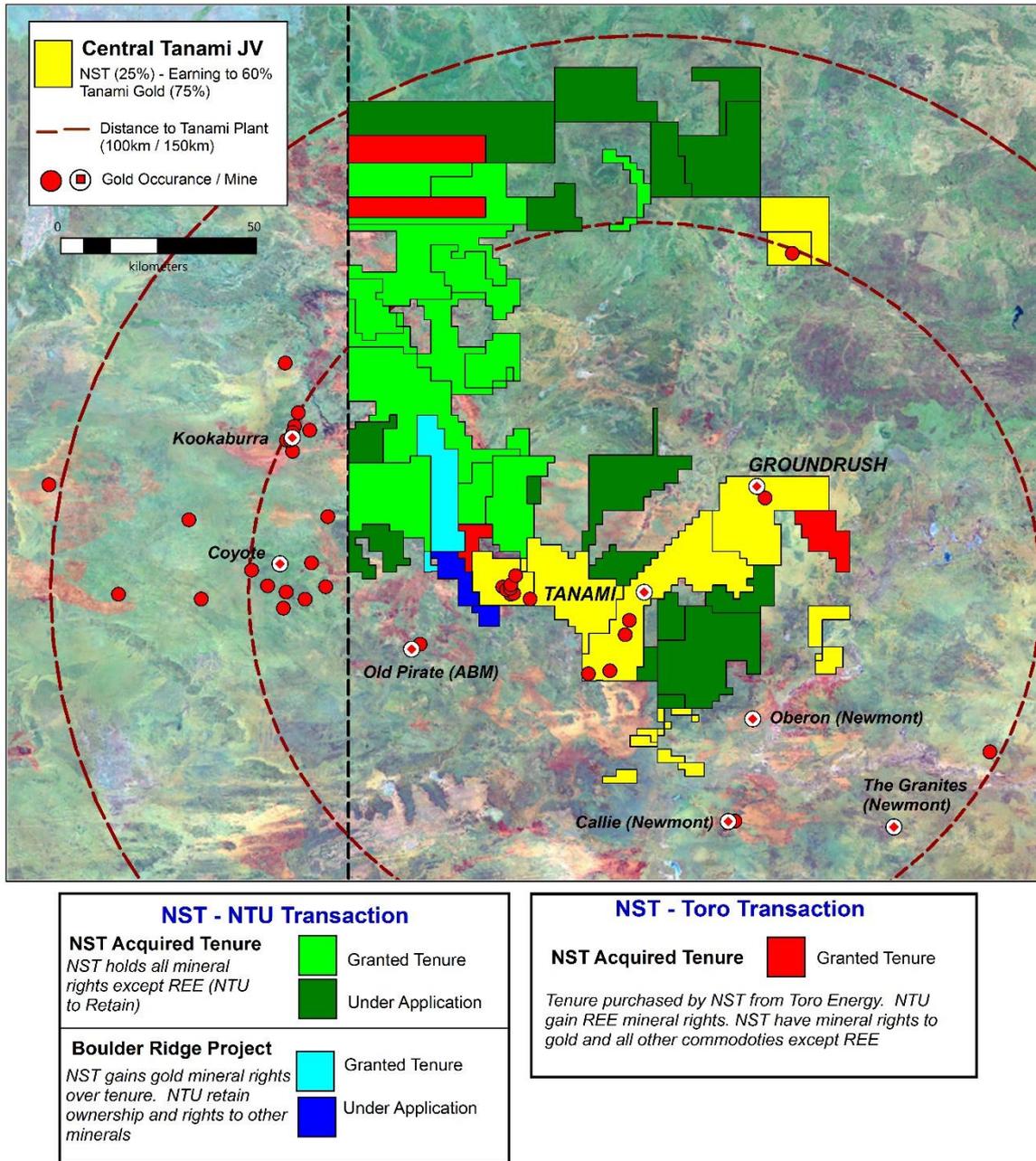
In addition, Northern Minerals will acquire the rights to rare earth elements in 4 exploration licences which Northern Star Resources has agreed to acquire from Toro Energy Limited (ASX:TOE; Toro Energy), namely EL26270, EL26286, EL26635 and EL27590. This follows a mutually agreed restructure of the transaction originally announced by Northern Minerals on 14 March 2016.

Northern Minerals' Managing Director, George Bauk said "As a company we continue to focus on the development of our rare earth assets, in particular the dysprosium rich, Browns Range Project. We are confident the rare earth market will continue to recover and grow as supplies decline, and demand for technology that is cleaner, smaller and more efficient continues to increase.

Selling these tenements is a great outcome for Northern Minerals as it provides access to short term working capital to continue the development and financing of the pilot plant, while also retaining the rare earths rights on this ground for future development."

Completion of the transaction is subject to Ministerial Consent and approval by other third parties.

Figure 1: Tenement package of the transaction



ASX ANNOUNCEMENT

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About Northern Minerals:

Northern Minerals Limited (ASX: NTU; Northern Minerals or the Company) is focused on the delivery of the heavy rare earth (HRE) element, dysprosium. The Company has a large landholding in Western Australia and the Northern Territory that is highly prospective for this element. Through the development of its flagship project, the Browns Range Project (the Project), Northern Minerals aims to be the first significant world producer of dysprosium outside of China.

The Project is 100% owned by Northern Minerals and has a number of deposits and prospects containing high value dysprosium and other HREs, hosted in xenotime mineralisation. Dysprosium is an essential ingredient in the production of DyNdFeB (dysprosium neodymium iron-boron) magnets used in clean energy and high technology solutions. As a result of increasing global demand for these applications dysprosium supply is critical. The Project's xenotime mineralisation has facilitated the development of a two stage process flowsheet, consisting of a beneficiation and hydrometallurgical plant, to produce a high value, high purity dysprosium rich product.

Exploration continues at Browns Range (WA and NT), and is also underway at the geologically similar John Galt and Boulder Ridge projects. For more information northernminerals.com.au.

