

2015/2016 R&D Rebate Received

Highlights

- \$1.76 million received for 2015/16 research and development rebate.
 - Innovative Technology Funding Pty Ltd \$1.3 million drawdown loan facility now retired.
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Northern Minerals (ASX: NTU) is pleased to announce that it has now received its research and development (R&D) rebate for work completed to advance the Browns Range Project (the Project or Browns Range) during the 2015/16 financial year.

The rebate was for a sum totaling \$1.76 million, with these funds used by the Company to retire the \$1.3 million drawdown facility from Innovative Technology Funding Pty Ltd.

Northern Minerals' Managing Director George Bauk said: "The Federal Government's R&D rebate scheme is a highly worthwhile initiative, with the rebate received offsetting significant work completed on Browns Range during the period."

"This scheme has proved particularly valuable during the early stages of project development, where it has allowed us to continue work programs through accessing these funds, rather than capital raising mechanisms," he said.

Northern Minerals is planning a staged development of Browns Range, with Stage 1 being the construction of a 60,000 tonne per annum pilot plant producing 590,000kg per annum of total rare earth oxide in a mixed REO carbonate containing 49,000kg per annum of Dysprosium, a strategic rare earth oxide used in the production of permanent magnets for electric vehicles.

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.

