

\$14 million funding agreement

- The Lind Partners, through a managed entity, has agreed to provide funding of up to A\$14 million for the Browns Range Pilot Plant Project
 - Funding will be provided as Convertible Securities, with an initial A\$6 million funded
 - Term of agreement is for 30 months, which aligns with Pilot Plant timetable
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Australian heavy rare earths developer, Northern Minerals Limited (ASX: NTU) (the “Company”) is pleased to announce that it has executed an agreement with an entity managed by The Lind Partners, (the Investor) for a funding agreement of up to A\$14 million with an initial amount of A\$6 million to be funded immediately after closing.

The funding will be provided as second ranking secured Convertible Securities with a 30 month term. The funding agreement allows for two \$6 million tranches and two \$1 million tranches based on specific events.

The funding agreement includes provisions for the conversion into Ordinary Shares, repayment in cash or early repayment at the Company’s sole option, as is typical in an agreement of this nature.

The funds will be utilised towards the construction of the Browns Range Pilot Plant Project in northern Western Australia.

George Bauk, Northern Minerals’ MD and CEO said *“We are once again pleased to be working with Jeff Easton and the team at Lind. They have been a solid supporter of the Company for many years and offer quality funding solutions to Australian resources projects.”*

Jeff Easton, Founder and Managing Director of Lind said *“We are proud to be re-investing in Northern Minerals and providing continued support during this exciting stage of development. Lind has the highest confidence in Northern’s management team and their ability to successfully achieve pilot scale production which will be a pivotal milestone. The Browns Range project is on the path to becoming one of a very limited number of producing rare earth projects outside of China and may well become a prominent showcase of Australian partnership, mining expertise and governmental support.”*

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Further Key terms

Under the Agreement with Lind A\$6 million will be immediately funded to NTU. The funds will be used to support the construction of the Brown's Range Pilot Plant.

NTU will issue Lind a second ranking secured convertible security with a face value amount of A\$7.5 million. Lind will have the right to convert the note at any time at a fixed conversion price. Lind will also be limited to converting 1/24 of the note on a monthly basis, subject to conditions (Tranche Conversion). Upon conversion during the term, shares will be priced at 92.5% of three consecutive days during a specified period. (Tranche Conversion Price)

Upon receiving a notice in relation to a conversion, the Company, in its sole discretion, has 2 business days to notify Lind that it will satisfy the conversion amount via cash in lieu of shares. Additionally, the Company can buy back the entire outstanding amount face value of the note at any time and Lind would have the right to convert up to 30% of the buy-back amount.

The Company will issue 22.5 million options to Lind with a three year term and an exercise price of 25 cents and will issue 12.5 million collateral shares that will be credited or returned at the end of the agreement.

Shareholder approval is not required for the initial funding to proceed and the agreement contains provisions requiring approval of shareholders, if required in the future, under listing rule 7.1.

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About Northern Minerals:

Northern Minerals Limited (ASX: NTU; Northern Minerals or the Company) has commenced development of the Browns Range Heavy Rare Earth Pilot Plant Project in northern Western Australia.

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 several 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.

The three-year pilot plant project will commence first production of heavy rare earth carbonate in H1 2018. The pilot plant development provides the opportunity to assess the economic and technical feasibility of a larger scale development taking Northern Minerals one step closer to being the first major dysprosium producer outside China.

About Lind Partners, LLC

The Lind Partners is a New York-based institutional fund manager focused on small- and mid-cap companies listed in Australia, Canada, and UK across mining, oil & gas, biotech and technology. Lind employs a multi-faceted investment strategy: direct investments of new capital; participation in equity placements; IPO/pre-IPO equity; and select on-market trades. Since 2009, the Lind team has completed over 80 direct investments, totaling over \$600 million in total value, and has earned a reputation as a creative, flexible and supportive capital partner to investee companies.

For more information: northernminerals.com.au.



ASX Code:	NTU	Market Capitalisation:	A\$80m
Issued Shares:	694m	Cash (as at 31 May 2017):	A\$9.5m