

Chinese equity investor reconfirms commitment to Browns Range

The remaining \$18 million of the previously announced \$30 million equity investment from Huatai Mining will be completed on or before 28 December 2016, with parent company Shandong Taizhong Energy offering Northern Minerals (NTU) a guarantee of funding completion and confirming that Huatai Mining and Taizhong Energy Australia Pty Ltd will continue to use their best endeavours to complete the Second Final Tranche subscription as soon as funding is available.

We refer to the subscription agreement ("Subscription Agreement") as announced on 2 August 2016 between the Company, Huatai Mining Pty Ltd ("Subscriber") and Taizhong Energy Australia Pty Ltd ("Guarantor").

To date, the Subscriber has made payments totaling \$12 million to the Company under the Subscription Agreement.

Completion of the Second Final Tranche of 66,666,667 shares in the Company at \$0.135 a share, being a further \$9 million, was due on 28 November 2016.

The Subscriber has requested an extension of the date for completion of the Second Final Tranche from 28 November 2016 to 28 December 2016.

The Third Final Tranche, also for \$9 million being 66,666,667 shares at \$0.135, is due to complete on 28 December 2016.

In consideration of a letter of guarantee being provided by the Subscriber's Chinese parent company Shandong Taizhong Energy Co. Ltd (Shandong), the Company has agreed to the requested extension. Accordingly, both the Second Final Tranche and the Third Final Tranche, amounting to a total of \$18 million, are due to complete on or before 28 December 2016.

Shandong stated as follows:

"Shandong has reconfirmed its support for the Subscription Agreement and to the Subscriber's obligation to complete the Second Final Tranche as soon as practicable and the Third Final Tranche on or before 28 December 2016."

"We again confirm that the Subscriber and Taizhong Energy Australia Pty Ltd also remain committed to the Subscription Agreement and the investment in NTU and will continue to use their best endeavours to complete the Second Final Tranche subscription as soon as funding is available, and will notify NTU immediately once they are in a position to complete the next stage."

The Company looks forward to completing on the Second Final Tranche and the Third Final Tranche which will provide funding for the Company's announced planned activities over the next period.

ASX ANNOUNCEMENT

For further information:

George Bauk
Managing Director/CEO
Northern Minerals
+61 8 9481 2344

For media and broker enquiries

Andrew Rowell / Michael Cairnduff
Cannings Purple
+61 8 6314 6300



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.