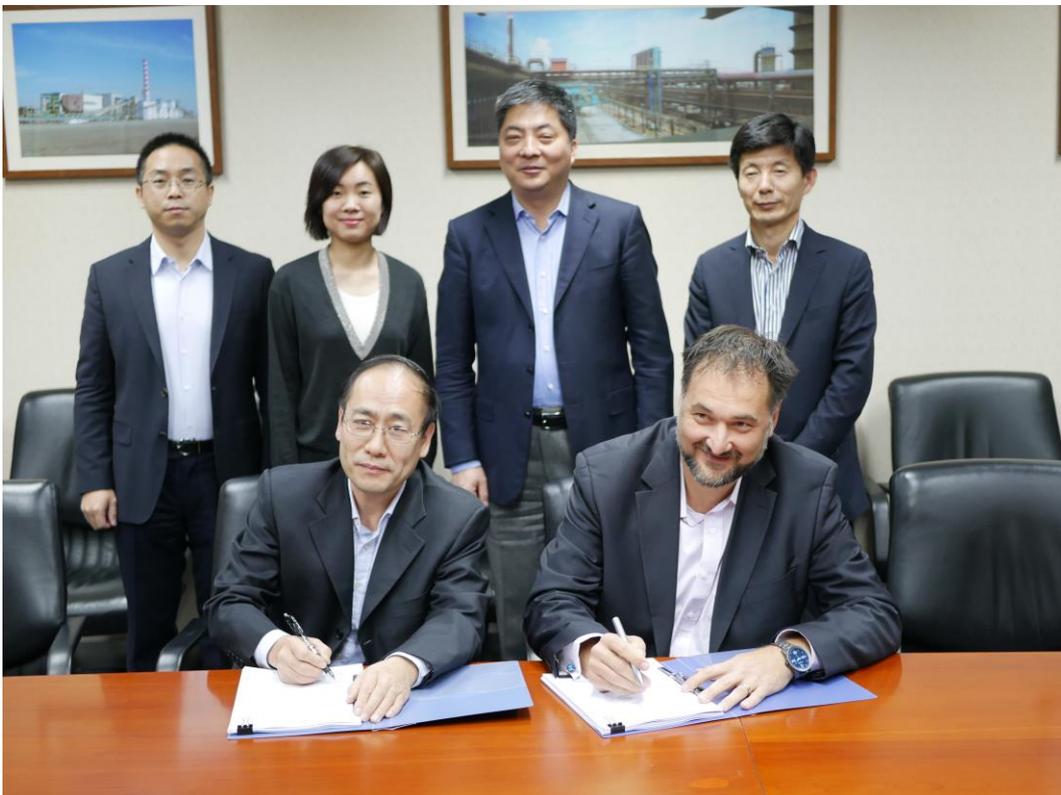


EPC contract executed with Sinosteel MECC for Browns Range Heavy Rare Earth Pilot Plant

- Engineering, Procurement and Construction (EPC) contract signed in Beijing with Sinosteel Equipment & Engineering Co., Ltd. (Sinosteel MECC) for Browns Range Heavy Rare Earth Pilot Plant.
 - As part of the EPC contract, Sinosteel MECC has agreed to defer 20% of payments for 24 months, with a right to convert into Northern Minerals Ordinary shares.
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Australian heavy rare earths developer, Northern Minerals Limited (ASX: NTU) is pleased to announce that it has executed an Engineering, Procurement and Construction (EPC) contract with Sinosteel Equipment & Engineering Co., Ltd. (Sinosteel MECC), a subsidiary of Shenzhen listed Sinosteel Engineering & Technology Co., Ltd. (Sinosteel ENTEC), for the delivery of the Browns Range Pilot Plant in northern Western Australia. The contract follows the announcement of a Memorandum of Understanding (MoU) on 23 November 2016.



Northern Minerals Managing Director, George Bauk and Sinosteel MECC Deputy General Manager, Jiang Yongmin, sign the EPC Contract in Beijing

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Sinosteel MECC will be responsible for the engineering, procurement and construction of the 60,000tpa Browns Range Pilot Plant. Under the contract, the Pilot Plant modules will be fully constructed in the People's Republic of China (China) and then transported and installed on site in Australia. Sinosteel MECC will be the lead contractor on site with other Australian groups sub-contracting as required.

Under the contract, Sinosteel MECC has agreed to defer payments representing 20% of the contract value for a period of 24 months. Alternatively, Sinosteel MECC has the right, at its election, within nine months of practical completion, to convert the deferred payment amount into Ordinary Northern Minerals' shares at a conversion price of the lower of 15 cents per share or the 20 day VWAP prior to election.

The EPC contract is subject to finance and a final investment decision (FID) by the Northern Minerals' Board, expected in mid-Q1 2017.

Northern Minerals' Managing Director George Bauk congratulated both parties for executing the EPC contract in a short timeframe, coming less than three weeks after the signing of the MoU.

"The execution of the EPC contract is an important step with regards to securing financing for the Browns Range Pilot Plant. We are committed and focused towards the FID in mid-Q1 2017," Mr Bauk said.

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

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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.

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About Sinosteel MECC:

Sinosteel Equipment & Engineering Co., Ltd (hereunder referred to as Sinosteel MECC) is a public listed company with majority shares held by Sinosteel Group. It was established in 1972 as a professional, internationally operated engineering company with business covering domestic and overseas EPC/EP business, equipment and spare parts supply, project management, project and equipment manufacturing supervision.

Sinosteel MECC is a flagship of Sinosteel Group in developing and processing of mineral resources as EPC contractor with full qualifications. As a well-known metallurgical engineering company in China, Sinosteel MECC has made an outstanding contribution to the development of China's metallurgical industry. It has accomplished over 400 state key metallurgical projects in the field of mining, coking, sintering, pelletizing, blast furnace, EAF, converter, continuous casting machine, wire rod and bar mill, hot strip mill, plate mill, Steckel mill, cold strip mill, processing and finishing line, environment protecting and energy saving systems for major Chinese steel enterprises.

Sinosteel MECC actively promotes its international business operation, developing its business from spare parts and individual equipment supply to undertaking of large-scale metallurgical turnkey projects. Sinosteel MECC has undertaken a series of EPC/EP projects featuring both great international influence and largest scale ever built by Chinese companies in the overseas market, by which it has built its international influence and sound reputation.

In Australia, Sinosteel Group has a long term cooperation with Rio Tinto through a joint venture partnership. Sinosteel has also invested in a few mineral projects in WA and SA. Sinosteel MECC is EPC contractor and minority shareholder of CuDECO Rocklands Copper project in Cloncurry QLD.