

Funding plan commences with opening of SPP Funds to be used to implement growth plans Browns Range Pilot Plant taking shape

Australian heavy rare earths developer, Northern Minerals Limited (ASX: NTU) (**the Company**) has today despatched the offer booklet for its share purchase plan (**SPP**) that was announced on 27 December 2017, along with a personalised application form, to all eligible shareholders.

Northern Minerals Managing Director, George Bauk is pleased to provide a progress update on the Browns Range Pilot Plant Project, under construction in the East Kimberley region of WA, including the following achievements:

- \$9.84m funding secured through equity and debt
- SPP to raise up to \$5m opened 2 January 2018
- Bonus Listed Option Issue for shareholders – February 2018
- Second shipment of equipment and plant components has been delivered to Browns Range
- Third and final main shipment of equipment and plant components is being transported to site
- Installation on track for Pilot Plant completion by 30 June 2018
- US Government signs executive order to secure critical metals supply chain



Lime make-up skid being installed

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Primero Group is nearing completion of the concrete works in the Pilot Plant area, with approximately 1,500m³ poured on site.



Aerial view of the Pilot Plant, ROM pad and ore stockpiles

Delivery of the second main shipment of equipment and modular components to Browns Range has been completed.

Delivery of the third and final shipment of equipment and modular components to Browns Range has commenced with 60% of this shipment already delivered to site. 85% of the Pilot Plant is now at Browns Range. The final 2% of the Pilot Plant will be completed in China in early February and is expected on site in early March.

FUNDING UPDATE

The company has raised approximately \$9.84 million, through equity and debt, for further development of the Browns Range Pilot Plant and has commenced a program consisting of four initiatives aimed at increasing the economic potential of the Browns Range Heavy Rare Earths Project in the East Kimberley, WA and its other projects.

New financing measures which will fund growth plans, include the launch of a share purchase plan offer; and a proposed bonus listed option issue for all shareholders, targeted for February 2018.

"These funding initiatives are helping put the finishing touches to our goal of becoming the most significant rare earth miner in the world", Managing Director, George Bauk said.

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The enhancement initiatives include;

1. an increase in the exploration budget aimed at increasing the life of the potential large-scale project from 11 to 20+ years,
2. studies of downstream processing options focussed on increasing the suite, and value of revenue products,
3. optimisation of mining and processing options learnt from the Pilot Plant Project to date as well as
4. the potential for new acquisitions in the rare earth sector.

OzFinancial are the advisors assisting with the management of the SPP and can be contacted on (+61) 3 8080 5795 or at admin@ozfinancial.com.au should shareholders have any questions. Shareholders may also contact the Company's share registry, Security Transfer Australia with any queries on 1300 992 916.

Eligible shareholders can click the link below to request details of the SPP and obtain a copy of their personalised application form.

<http://www.northernmineralsspp.com.au/INVESTMENT/NorthernMinerals.aspx>

The Board also proposes to undertake a bonus issue of new listed options to eligible shareholders in February 2018 on a 1-for-5 basis and with an exercise price of \$0.12 and an expiry date of 31 December 2019, subject to a prospectus being prepared and lodged with ASIC.

The record date for the proposed issue has not been finalised but will allow eligible shareholders who have been issued Shares under the SPP to participate in the bonus issue on the basis of their post-SPP shareholding.

US Government signs executive order to secure critical metals supply chain

US President Donald Trump has called for an end to US reliance on foreign sources of "critical minerals" such as battery metals lithium and cobalt, and rare earth metals as demand increases for electric vehicles and renewable energy.

The minerals were chosen based on "risks to their supply" and the impact of potential supply restrictions, the USGS said. They were all critical to a "broad range of existing and emerging technologies, renewable energy, and national security," it said.

While the executive order promotes the development of US projects, it also highlights the importance and need for US investment in overseas projects as a way of controlling supply.

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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.

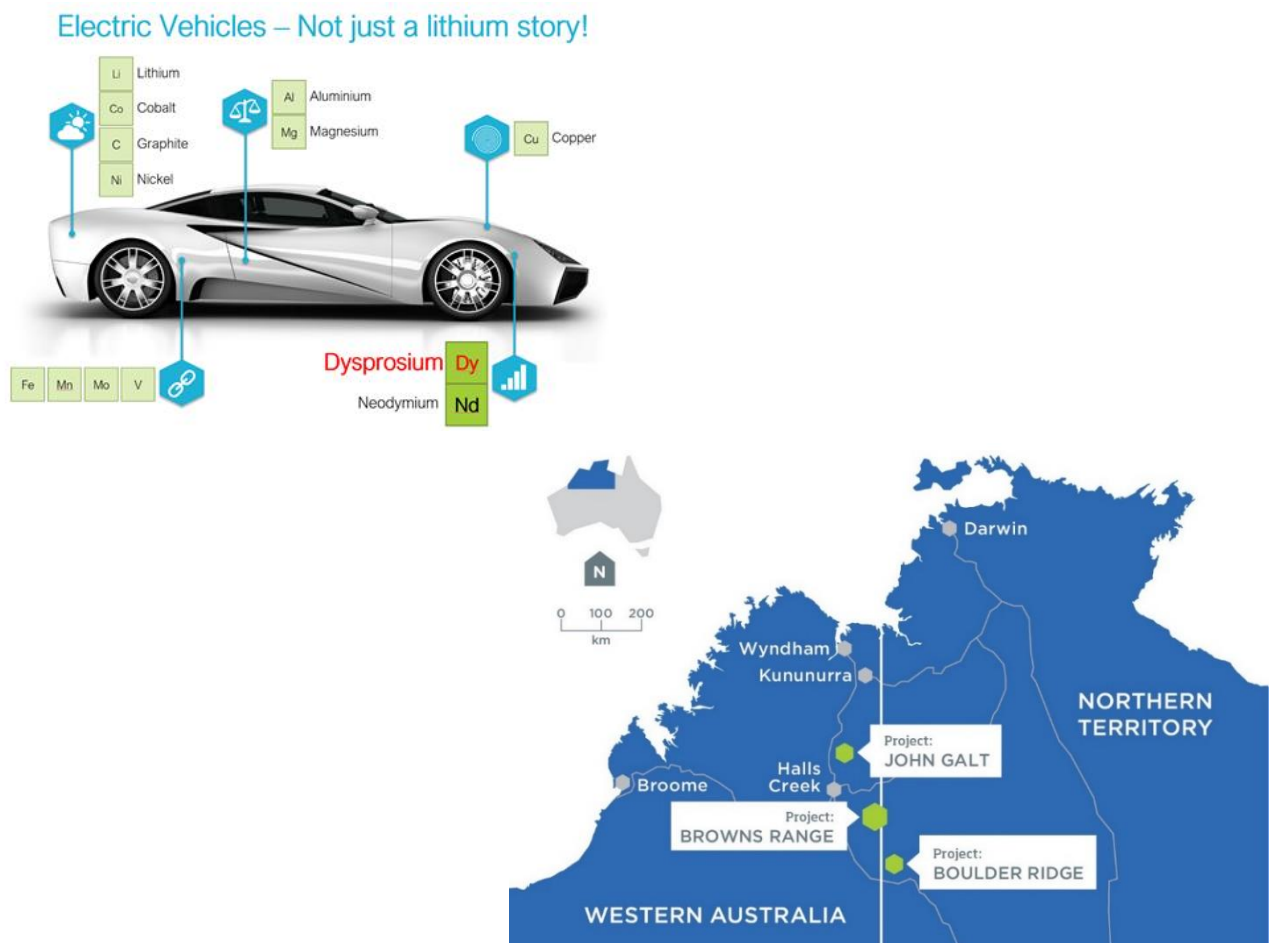
Through the development of its flagship project, the Browns Range Project (the Project), Northern Minerals aims to be the first significant world producer of dysprosium outside of China.

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 R&D pilot plant project will commence first production of heavy rare earth carbonate in Q3 2018. The pilot plant development provides the opportunity to gain production experience, surety of supply for our offtake partner and assess the economic and technical feasibility of the larger full-scale development.

For more information: northernminerals.com.au.



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