

Placement completed, two debt facilities closed & update on ATO discussions

- \$5m received in May completes the \$20m placement announced in March
- ISF R&D facility fully paid out, with security over assets to be released
- Lind Facility fully paid out, with security over assets to be released
- Discussions with ATO continue

Australian heavy rare earths producer, Northern Minerals Limited (ASX: NTU) (the **Company**) is pleased to announce that it has now completed all tranches of the \$20 million placement that was announced on 18 March 2019, following the receipt of the final \$5 million tranche today. The issue of the 100,000,000 fully paid ordinary shares comprising that final tranche was approved by shareholders at the General Meeting held on 26 April 2019 and the Company will issue those shares in due course.

The subsequent \$15 million subscription, which was announced on 23 April 2019 and which comprises an issue of shares and convertible notes, is also nearing completion, with the final \$5 million tranche (in relation to the convertible note component of the subscription) due to be paid by 21 June 2019. As announced on 23 April 2019, the issue of the convertible notes comprising the subscription is subject to shareholder approval, which will be sought at the upcoming general meeting to be held on 17 June 2019.

Part of the funds raised from the above transactions were used to fully repay all amounts owing to Innovative Structured Finance Co., LLC (**ISF**) and Lind Asset Management X, LLC (**Lind**) (as described in more detail below). The remainder of the funds will be used to progress the Company's enhancement initiatives at Browns Range, including further exploration, ore sorting and product separation, as well as for strengthening the Company's balance sheet.

ISF repayment

Further to the Company's announcement dated 30 April 2019, the Company has now repaid all remaining amounts owing to ISF in relation to amounts advanced to the Company under the secured loan arrangement announced on 29 August 2017. Accordingly, all security interests held by ISF against the Company's assets must now be released.

Lind repayment

The Company also wishes to confirm that it has repaid all remaining amounts owing to Lind in relation to the secured convertible loan arrangement announced on 14 June 2017. Repayment of the Lind facility also means that the convertible notes issued to Lind under that arrangement have effectively been redeemed by the Company and all security interests held by Lind against the Company's assets must now be released.

ATO repayment

As foreshadowed in the Company's announcement dated 17 May 2019, the Company has now received notices from the Australian Taxation Office (**ATO**) confirming that the Company's

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outstanding liability to the ATO in relation to the Company's 2016/17 and 2017/18 R&D Claims is \$13,409,315.90 (**Amount Owing**).

The Company and the ATO are in active discussions regarding the Company's repayment of the Amount Owing (plus interest) and the Company is working with the ATO to finalise the details of a secured payment arrangement to allow the Company to progressively discharge its debt. The Company will provide further details to the market once those arrangements have been finalised.

Northern Minerals' Managing Director and CEO, George Bauk, commented "*The completion of the current funding round signals continued confidence in the company and our strategy.*"

"As we ramp up the commissioning program at Browns Range, the timing couldn't be better. With rare earths now part of the Trump-China trade discussions, we have seen the dysprosium price increase by nearly 50% since the start of the year."

"We have also closed out our facilities with ISF and Lind who both have been excellent supporters of the company and who's facilities were instrumental in the company being able to develop the Browns Range Pilot Plant. Both ISF and Lind have supported management and the company during some very challenging times, and we thank them for standing by us."

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About Northern Minerals:

Northern Minerals Limited (ASX: NTU; Northern Minerals or the Company) has completed practical completion of the Browns Range Heavy Rare Earth Pilot Plant Project in northern Western Australia and commenced production of heavy rare earth carbonate.

The three-year Pilot Plant Project will continue to assist the company evaluate the economic and technical feasibility of mining at Browns Range, and will provide the opportunity to gain production experience and surety of supply for our offtake partner.

Through the development of its flagship project, the Browns Range Project (the Project), Northern Minerals aims to build the Western Australian operation into 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.

For more information: northernminerals.com.au.



ASX Code:	NTU	Market Capitalisation:	A\$152.6m
Issued Shares:	1,908m	Cash (as at 31 Mar 2019):	A\$9.1m