

Variation to Loan Agreement with Innovative Structured Finance

Australian heavy rare earths producer, Northern Minerals (ASX: NTU) (the **Company**) has negotiated a further variation to the loan agreement (as previously announced on 29 August 2017) with Innovative Structured Finance Co LLC (**ISF**). The loan agreement provides for separate facilities for the 2017, 2018 and 2019 Australian tax years. The second facility, relating to the 30 June 2018 tax year is due to be repaid by 31 December 2018, substantially out of the Company's expected Research and Development tax cash refund (**R&D Cash Refund**) entitlement, which was expected to be received before 31 December 2018.

Eligible companies with a turnover of less than \$20 million receive a refundable tax offset against eligible expenditure on R&D, allowing the benefit to be paid as a cash refund if they are in a tax loss position.

The Company lodged its 30 June 2018 tax return with the Australian Taxation Office (**ATO**) on 28 August 2018. The ATO are still assessing the R&D Cash Refund and as such has not yet approved payment to the Company.

The Company's expectation is that its R&D Cash Refund will be \$21.56m based on the tax return lodged with the ATO. The ATO have released 50% (\$10.78 million) of the Company's claim as per announcement on 18 February 2019.

Due to the remaining funds not yet being received from the ATO, it has been necessary for the Company to request an additional variation to the loan agreement, extending the date for repayment of the 2018 loan from 28 February 2019 to 30 April 2019, which has been agreed by ISF.

The Company is grateful for the support shown by ISF in agreeing to vary the loan as requested.

The Company will continue to work with its advisers and the ATO to expedite the remaining payment of its R&D Cash Refund as soon as possible.

Investors are encouraged to update their contact details to stay up to date with Northern Minerals news and research at: <http://northernminerals.com.au/update-details/>

For further information

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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\$53m
Issued Shares:	1,336m	Cash (as at 31 Dec 2018):	A\$1.0m