

Browns Range to move to temporary care & maintenance due to COVID-19 pandemic

- Temporary suspension of site operations at Browns Range due to COVID-19 pandemic
- Focus on the health and safety of our people
- Dazzler resource update to be released within next three weeks
- Export Finance Australia confirms interest in Browns Range project financing
- Continued dialogue with Critical Minerals Facilitation Office - Australia
- Continuing discussions with ATO following AusIndustry setting aside negative R&D finding
- 2018/19 R&D registration number received
- FIRB extended timeframe for Baogang investment COVID-19 pandemic

Australian heavy rare earths producer, Northern Minerals Limited (ASX: NTU) (the **Company**) has made the difficult decision to temporarily suspend site operations at the Browns Range Pilot Plant Project, effective immediately.

The decision is a result of recent and anticipated impacts of the COVID-19 virus and the broad range of necessary measures being undertaken by the Australian Federal and WA governments.

We anticipate progressive travel restrictions within regional WA will be required to halt the spread of COVID-19. The global, national and state outlook indicates that there will be growing difficulty in moving people to and from the Browns Range site in the East Kimberley region of WA.

Health and safety of our people

The health and safety of our people is our number one priority, and our commitment to play our part in protecting the Kimberley stands alongside that.

Given the extreme remoteness of the Browns Range site, we have taken the difficult but necessary decision to temporarily suspend the site operations and move to care and maintenance immediately.

The recent directives by the WA government to protect the vulnerable residents of Aboriginal communities, many of which are located within the Kimberley region, is an additional factor in this decision. We have a close relationship with the residents of Broome, Halls Creek and Ringer Soak and our continued operation and movement of goods and personnel through these communities poses too high a risk.

Prior to this decision being made, we recently transported a further 27 tonnes of heavy rare earth carbonate to Darwin for export and sale, with all material produced since commencement now sold or ready to be sold. The recent consignment crossed the WA/NT border before it closed on Tuesday.

A demobilisation plan has been enacted and a small care and maintenance team will remain on site on an alternating 4 week on 4 week off roster.



Powering Technology.

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Northern Minerals Managing Director and CEO, George Bauk, said, “*We understand this decision will have a significant impact on all our employees.*”

These are difficult, uncertain and unprecedented times.

These decisions are not made lightly and are taken to ensure the health and safety of our employees and the community within which we operate.

While this decision will obviously have a significant impact in the near term, we are hopeful that our resilience and adaptability will ensure our longevity and that Northern Minerals will be ready to rebound when the global situation improves.”

The Company will continue to monitor the situation as it evolves and work with authorities to resume operations when it is considered safe to do so.

While site-based activities have been suspended, there are several value-enhancing projects that will continue.

Dazzler resource update

The exploration team is currently working on a Mineral Resource update for the high-grade Dazzler deposit following the recent drilling program. This is expected to be released in the next few weeks.

Export Finance Australia letter of support

Export Finance Australia (EFA) is Australia’s Export Credit Agency, 100% owned by the Australian Commonwealth Government, with a mandate to support Australian businesses as they seek to develop new Australian export markets. This may include projects which boost the ability to extract and process minerals in Australia for export.

EFA has provided a letter of support to Northern Minerals advising they are willing to continue to explore the potential provision of finance required for the Browns Range processing plant. Any provision of finance by EFA remains subject to further detailed due diligence by EFA, and on reaching agreement on the proposed terms of any financing.

Critical Minerals Facilitation Office (CMFO)

Northern Minerals continues to engage with the on development of the plant/downstream capabilities and identify offtake and investor opportunities.

ATO discussions

Following the receipt of the formal notification from AusIndustry dated 24 February 2020 (refer ASX announcement dated 25 February 2020) that it has reversed its initial finding in relation to the Company’s R&D Claims, the Company is continuing to work closely with the Australian Taxation Office (**ATO**) to confirm the final refundable R&D tax offset for 2016/17 and 2017/18.

The Company has also received an R&D registration number for the 2018/19 year and is also discussing this financial year’s refundable tax offset with the ATO.

Further updates will be provided once these matters are finalised.

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FIRB extension

Baogang has informed the Company that it has agreed with the Australian Foreign Investment Review Board (**FIRB**) to further voluntarily extend the statutory deadline for the Treasurer to make a final decision in relation to the proposed \$20 million placement transaction to 17 April 2020 (refer ASX announcement dated 17 March 2020).

Separation testwork

The testwork program for the pilot plant project will be analysed during the production hiatus and any further refinements to the processing flowsheet will be implemented as part of the potential re-start of the pilot plant.

The separation program is being conducted by K-Tech in the USA, however results will be delayed as a result of COVID-19.

ENDS

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About Northern Minerals:

Northern Minerals Limited (ASX: NTU; Northern Minerals or the Company) is the only producer of heavy rare earth element Dysprosium outside of China via production from the Browns Range Heavy Rare Earth Project in northern Western Australia.

The Company commenced the production of heavy rare earth carbonate in late 2018 as part of a three-year pilot assessment of economic and technical feasibility of a larger scale development at Browns Range.

The current program provides the opportunity to gain production experience and surety of supply for our offtake partner, Thyssenkrupp, as well as allowing the assessment of various project enhancement initiatives including ore sorting and the separation of the product into individual rare earth oxides.

Through the development of its flagship project, the Browns Range Project (the Project), Northern Minerals aims to build the Western Australian operation into a 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, military and high technology solutions.

For more information: northernminerals.com.au.



ASX Code:	NTU	Market Capitalisation:	A\$63.8m
Issued Shares:	2,660m	Cash (as at 31 December 2019):	A\$5.8m