

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Northern Minerals Limited

ABN

61 119 966 353

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,070)	(1,759)
(b) development	(531)	(850)
(c) production	(5,237)	(10,585)
(d) staff costs	(536)	(1,219)
(e) administration and corporate costs	(859)	(2,038)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	22
1.5 Interest and other costs of finance paid	(299)	(794)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	(1,650)	(3,851)
1.8 Other (provide details if material)	13	529
1.9 Net cash from / (used in) operating activities	(10,154)	(20,545)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5,361)	(7,994)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(5,361)	(7,994)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,950	29,962
3.2	Proceeds/(repayments) from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(215)	(3,251)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(232)	(524)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,503	26,187

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	18,798	8,140
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10,154)	(20,545)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,361)	(7,994)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,503	26,187
4.5	Effect of movement in exchange rates on cash held	2	(0)
4.6	Cash and cash equivalents at end of period	5,788	5,788

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	5,788	18,798
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,788	18,798

Included in 1.7 above are the repayments in relation to the Company's claim for the research and development (R & D) refundable tax offset for the 2016/17 and 2017/18 tax year. Whilst the ATO and AusIndustry continued their review of the Company's claim a partial release was advanced in the March quarter for the 2017/18 tax year. In May 2019 the Company received notices from the ATO that the R & D claim had been denied. The Company has requested an internal review by AusIndustry and this is currently being undertaken. In accordance with the in-principle agreement reached with the ATO in June 2019 repayments are being made to repay the partial release advanced for the 2017/18 tax year and the 2016/17 tax year that had previously been received.

Included in 2.1 above are the payments made in accordance with the EPC contract with Sinosteel MECC. Under the contract, Sinosteel MECC agreed to defer payments representing 20% of the contract value for a period of 12 months.

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	344
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Amounts in 6.1 relate to non-executive directors remuneration and the managing directors remuneration for the quarter. It also includes fees paid to Chairman for additional work undertaken in the period.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	11,500	11,500
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 17th December 2018, Northern Minerals entered into a subscription agreement with JHY Investments Pty Limited (JHY) for the issue of 4,000,000 convertible notes over two tranches with a face value of A\$1.00 per note. Refer to ASX announcement of 17th December 2018 for further details. As announced on 11th December 2019 the terms of the convertible notes issued to JHY provided that the notes would mature on 31 December 2019 and that an interest rate of 16% per annum would be payable on the notes. The Company negotiated an extension of the maturity date for the notes for a further year and a lower interest rate. The maturity date for the notes is now 31 December 2020 and the interest rate payable on the notes reduced to 10%.

On 23rd April 2019, Northern Minerals entered into a subscription agreement for the issue of 7,500,000 convertible notes with a face value of A\$1.00 per note to a sophisticated investor. Refer to ASX announcement 23rd April 2019 for further details.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,100
9.2 Development	-
9.3 Production	5,500
9.4 Staff costs	665
9.5 Administration and corporate costs	1,000
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	8,265

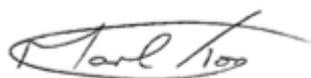
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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


Date: 31st January 2020

(Director/Company secretary)

Print name: MARK TORY.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.