

Funding to deliver \$49.5M and continue path to production

Highlights

- \$49.5 million binding MoU signed with Jien Mining, the Australian subsidiary of global mining company Jilin Jien Nickel Industry Co Ltd.
- First tranche of \$3 million received from convertible note, with a further \$2 million due in March 2015.
- \$44.5 million to be received through share placement and options to Jien Mining, subject to shareholder approval and final due diligence.

Northern Minerals (ASX: NTU; the Company) is pleased to announce it has secured a strategic funding partner to continue the progression of the Browns Range Project (the Project) towards production.

The Company has signed a binding Memorandum of Understanding (MoU) with Jien Mining Pty Ltd (Jien Mining), for equity funding of up to A\$49.5 million. The funding, which is subject to final due diligence and shareholder approval, will maintain Northern Minerals' position to become the world's first significant producer of dysprosium outside of China.

Jien Mining, is an Australian subsidiary of Jilin Jien Nickel Industry Co Ltd, a Chinese based mining and investment company with significant mining and resource investments globally.

The transaction will preserve Northern Minerals' 100% ownership of the Project and facilitate the completion of detailed engineering design. It will also support the commencement of early works construction activities once final project financing is in place.

The Jien Mining investment will be made through:

- a) a \$5 million convertible note facility to provide immediate working capital, and;
- b) following due diligence, a placement of fully paid shares and options to Jien Mining.

The convertible note facility is based on the provision of 25 million shares at 20 cents per share. The first tranche of A\$3M has been received with the remainder to be paid through two A\$1M installments due on 3 March and 20 March 2015.

Following a due diligence process, to be completed on or before 5 June 2015, formalisation of final agreements, FIRB approval and Northern Minerals' shareholder approval, Jien Mining will be issued 110 million shares at 20 cents (less 25 million shares at 20 cents subject to the convertible note described above) raising a further A\$17M. In addition, 110 million options with an exercise price of 25 cents and a term of one year to raise a further A\$27.5M, if and when the options are exercised.

Jien Mining will also be entitled to two board positions; one at the completion of the share placement, and the other upon exercise of all of the options.

Powering Technology.

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Once the transaction is completed and all options are exercised, Jien Mining will become Northern Minerals' largest shareholder, holding 220 million shares equal to 33% of the issued capital.

Northern Minerals' Managing Director George Bauk said the deal introduced a significant new global partner with financial strength and mining experience.

"This is a key funding initiative and partnership, and reaffirms the quality of the Project, and the strong market fundamentals for our high grade dysprosium product" Mr Bauk said.

"Jien Mining recognises the opportunity for the Project to become a globally significant source of high value dysprosium, and shares Northern Minerals' vision to bring Browns Range into production as soon as possible."

"The partnership will allow us to leverage Jien's mining experience, financial strength and capital market networks to secure the final capital required to build the Project, and progress the Project into production."

Mr Bauk said Northern Minerals had held advanced discussions with a number of potential funding partners, but the Board believed the Jien Mining proposal provided the best outcome for project delivery and the best value for shareholders.

The transaction has the full support of Northern Minerals' major shareholder, and Executive Chairman, Mr Conglin Yue.

"It is exciting to have the backing of a partner such as Jien Mining, which brings financial strength as well as global experience in mining development and investment," Mr Yue said.

The transaction is subject to shareholder approval at a General Meeting of the Company and shareholders will be issued a Notice of Meeting with details of the funding proposal shortly.

About Jien Mining

Jien Mining is an Australian based subsidiary of Jilin Jien Nickel Industry Co Ltd (Jilin Jien). Jilin Jien is a large-scale multi-national group, head quartered in China, with nearly 10,000 employees. It is focussed on nonferrous metal production and processing, new energy material development and financial capital business operations.

Jilin Jien is listed on the Shanghai Stock Exchange in 2003 (SHA:600432) and its market capitalisation as of February 13, 2015, was RMB 22 billion (A\$4.6 billion). Jilin Jien is one of the largest producers of nickel sulfates in the world, and also owns nickel, smelters, refineries and chemical plants, with total assets of more than 19.99 billion RMB Yuan in 2012 to 2013 financial year.

Jilin Jien has global mining investments in Australia and Canada. A wholly owned Canadian subsidiary of Jilin Jien (Canadian Royalties) commenced production in 2013 from the Nunavik Nickel mine, following more than CAD\$1.164 billion investment from Jilin Jien in the project.

In Australia, Jien Mining owns 24.96% of Metallica Minerals Ltd and is the second largest shareholder of Orion Metals Limited. Both companies are listed on the Australian Stock Exchange.

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About Northern Minerals:

Northern Minerals Limited (ASX: NTU; the Company) is focussed on the becoming a globally significant producer of the heavy rare earth (HRE), dysprosium. The Company has a large landholding in Western Australia and the Northern Territory that is highly prospective for this element.

Northern Minerals' 100% owned flagship project is the Browns Range Project (the Project), where it has a number of deposits and prospects containing high value dysprosium and other HREs, hosted in xenotime mineralisation. Dysprosium is an essential ingredient in the production of NdFeB (neodymium iron-boron) magnets used in clean energy and high technology solutions. As a result of increasing global demand for these applications dysprosium supply is critical. The Project's xenotime mineralisation facilitates the use of a relatively simple and cost effective processing flowsheet to produce a high grade dysprosium rich mixed rare earth carbonate. Northern Minerals is targeting construction to commence in 2015, followed by production in late 2016.

Exploration is also underway at the geologically similar John Galt and Boulder Ridge projects.

For more information northernminerals.com.au.



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