

Completion of sale of non-rare earth assets

Highlights

- Central Land Council approval given for Tenement Sale Agreement with Northern Star Resources.
 - \$1.25 million cash received, with further \$1.5 million contingent on milestones
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Australian heavy rare earths developer, Northern Minerals Limited (ASX: NTU) is pleased to announce that it has completed the Tenement Sale Agreement with Northern Star Resources Limited (ASX: NST; Northern Star) to sell a package of exploration licences in the Tanami region of the Northern Territory for \$1.25 million in cash (refer ASX announcement 30 August 2016).

Under the Tenement Sale Agreement, Northern Star has paid \$1.25 million cash up front and will pay a further \$1.5 million in cash upon establishment of a one million-ounce JORC-compliant Inferred Mineral Resource on the tenements. Northern Minerals will retain the rare earth rights on all ground, with Northern Star holding the rights to all other minerals, including gold.

Northern Star also gains the gold exploration rights at Northern Minerals' Boulder Ridge Rare Earth project in the Tanami region.

In addition, Northern Minerals will acquire the rights to rare earth elements in four exploration licences that Northern Star has agreed to acquire from Toro Energy Limited (ASX: TOE; Toro Energy), namely EL26270, EL26286, EL26635 and EL27590. This follows a mutually agreed restructure of the transaction originally announced by Northern Minerals on 14 March 2016.

Following approval of the Tenement Sale Agreement by the Central Land Council (CLC), Northern Minerals has applied to have the \$250,000 bond with the CLC returned.

Northern Minerals' Managing Director, George Bauk said: *"Our focus is on the development of Browns Range and in particular, the Browns Range Pilot Plant development in 2017. The sale agreement with Northern Star allows us to maintain the focus on this high quality dysprosium project."*

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ASX ANNOUNCEMENT

About Northern Minerals:

Northern Minerals Limited (ASX: NTU; Northern Minerals or the Company) is focused on the delivery of the heavy rare earth (HRE) element, dysprosium. The Company has a large landholding in Western Australia and the Northern Territory that is highly prospective for this element. Through the development of its flagship project, the Browns Range Project (the Project), Northern Minerals aims to be the first significant world producer of dysprosium outside of China.

The Project is 100% owned by Northern Minerals and 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 DyNdFeB (dysprosium 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 has facilitated the development of a two stage process flowsheet, consisting of a beneficiation and hydrometallurgical plant, to produce a high value, high purity dysprosium rich product.

Exploration continues at Browns Range (WA and NT), and is also underway at the geologically similar John Galt and Boulder Ridge projects. For more information northernminerals.com.au.

