

ASX ANNOUNCEMENT

16 February 2021



Oversubscribed A\$20 Million Placement

Northern Minerals Limited (ASX: NTU) (**Company**) is pleased to announce that it has entered into subscription agreements with various sophisticated and institutional investors in Australia, the United States and Europe (**Investors**) to raise A\$20 million (before costs) under a private placement (**Placement**). EAS Advisors, LLC, acted as the Company's placement agent and financial advisor for the Placement.

The Placement was oversubscribed and was priced at a 5.8% discount to the last closing price of A\$0.052 on 11 February 2021 and a 6.1% discount to the Company's 10-day trading VWAP (Volume Weighted Average Price). The Placement consists of the issue of fully paid ordinary shares and unlisted options and is comprised of two tranches, as detailed below:

Tranche	Number of Subscription Shares	Issue Price per Share	Subscription Amount	Number of Options	Completion Date
Tranche 1	408,163,265	A\$0.049	A\$20,000,000	153,061,224	22 February 2021
Tranche 2 (Options only)	-	-	-	51,020,408	2 business days after EGM to be held in April 2021
Total	408,163,265	-	A\$20,000,000	204,081,632	-

Investors in the Placement will receive one free attaching unlisted option for every two Subscription Shares subscribed for, with each option to be exercisable at A\$0.074 with an expiry date of 3 years from the date of issue (**Option**).

The issue of all Subscription Shares under the Placement and all Tranche 1 Options will be made using the Company's existing placement capacity under Listing Rule 7.1. The issue of the Tranche 2 Options is subject to the approval of the Company's shareholders being obtained and a notice of meeting convening a general meeting of shareholders will be despatched shortly in this regard.

All Subscription Shares issued under the Placement will be fully paid ordinary shares and will rank equally with the Company's existing quoted shares on issue.

The funds raised from the Placement will be used for: (1) further exploration at the Company's projects; (2) carrying out a feasibility study for a full-scale beneficiation plant; (3) testing of the Company's ore sorter; (4) continued testing of the Company's pilot plant and separation options; and (5) general working capital purposes.

If all of the Options are ultimately exercised, the Company will raise a further A\$15,102,041 which will be directed towards the above initiatives (or otherwise utilised as determined by the Board).

Powering Technology.

Northern Minerals
Ground Floor
34 Colin Street
West Perth WA 6005

PO Box 669
West Perth WA 6872
northernminerals.com.au
info@northernminerals.com.au

ASX: NTU
T: +61 8 9481 2344
ABN: 61 119 966 353

The Company's CEO, Mark Tory, said: *"Northern Minerals has committed to a priority work program for 2021, focused on fast-tracking our pathway to achieving commercial production of a marketable heavy rare earths concentrate in response to emerging market demand for such a product.*

To succeed with this approach, we will assess the technical and financial feasibility of constructing a standalone commercial-scale Beneficiation Plant at Browns Range as well as planning a full-scale mining operation to feed the plant.

We have worked diligently to clear debt from our balance sheet and maintain healthy cash reserves in the past six months that has allowed R&D work to continue in our Pilot Plant, including the purchase and installation of an ore sorting system that is due for completion this quarter.

The additional funds we have raised through this \$20 million placement will provide us with the added flexibility to both fast-track feasibility work on the Beneficiation Plant and also ramp-up our Resource expansion drilling with the objective of increasing the project's life of mine."

EAS Advisors, LLC, acting through Odeon Capital Group LLC (**Odeon**), acted as the Company's placement agent and financial advisor for the Placement. Fresh Equities Pty Ltd acted as Australian placement and settlement agent. A placement fee of 5% - 6% is payable to Odeon on the gross proceeds raised under the Placement.

Appendices 3B (Proposed issue of securities) have been released in relation to this announcement.

Summary Information

The following disclaimer applies to this announcement and any information contained in it. The information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au. You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any information contained in this announcement. In accepting this announcement, you agree to be bound by the following terms and conditions including any modifications to them.

Forward Looking Statements

This announcement includes forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like "will", "progress", "anticipate", "intend", "expect", "may", "seek", "towards", "enable" and similar words or expressions containing same.

The forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this announcement and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. Given these uncertainties, no one should place undue reliance on any forward looking statements attributable to the Company, or any of its affiliates or persons acting on its behalf. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Neither the Company nor any other person, gives any representation, warranty, assurance, nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. To the maximum extent permitted by law, the Company and each of its advisors, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any responsibility for the

accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise.

Not for release to US wire services or distribution in the United States

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

ENDS

Authorised by Mark Tory – CEO

For further information:

Mark Tory
Chief Executive Officer
Northern Minerals
+61 8 9481 2344

For media and broker enquiries:

Michael Cairnduff
Cannings Purple
0406 775 241
mcairnduff@canningspurple.com.au

About Northern Minerals:

Northern Minerals Limited (ASX: NTU) (Northern Minerals or the Company) is one of a few producers 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. In March 2020, the operation was placed into care & maintenance as a result of COVID-19 and has partially restarted operations in August 2020.

The work 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\$230.74
Issued Shares:	4,437m	Cash (as at 31 December 2020):	A\$10.6m