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Strong support for \$43m placement to progress Browns Range Heavy Rare Earths Project

Highlights:

- Binding commitments received from existing and new institutional and sophisticated investors to raise \$43m (before costs) via a two-tranche placement
- Significant level of demand for the placement received
- The Company will also offer a \$5m¹ Share Purchase Plan (SPP) (before costs) which will provide all eligible shareholders the opportunity to participate in the transaction
- Placement and SPP issue price of \$0.019 per share, representing a discount of 20.8% to the last closing share price and a discount of 22.4% to the 5-day Volume-Weighted Average Price (VWAP)
- Proceeds from the placement² and SPP, together with existing cash, will support current operations, advancement of the Company's funding initiatives and be utilised to progress the Browns Range Heavy Rare Earth Project (Project) towards production, including finalisation of the Definitive Feasibility Study (DFS), exploration drilling activities to increase the Project's resource base and early works
- Following the completion of the Equity Raising, the Company will be funded² through to completion of the DFS and progress towards a subsequent Final Investment Decision, targeted to occur in 1H CY2025

Commenting on the placement, Adam Handley, Northern Minerals Chair, said:

"We are pleased with the strong support from existing and new investors, which reflects a clear vote of confidence in the Browns Range Project. We look forward to executing on our strategy and delivering on our commitment to becoming a globally significant supplier of dysprosium and terbium – critical elements essential to driving the global clean energy transition."

Northern Minerals Managing Director and CEO, Shane Hartwig, added:

"The placement enables Northern Minerals to continue key project initiatives, seek project funding and proceed towards a Final Investment Decision, while also enabling the Company to undertake value-accretive exploration initiatives."

Our team is working to complete the DFS (Q1 2025) to put the Company in a position where we can consider a positive FID for the development of the Project. The release of the Company's updated Mineral Resource estimate (Q4 2024) will be a key milestone to enable the DFS to be completed. Although our target FID date has moved, the team is using this time to complete additional key technical work programs that will assist in ongoing technical due diligence reviews of the Project, important in ensuring the production of a DFS focusing on long-term, sustainable value for shareholders."

¹ The Company has applied for waivers from ASX Listing Rules 7.1 and 10.11 to permit the Company to issue New Shares under the SPP at a discount greater than 20% of the five-day VWAP. If the ASX does not grant these waivers, the issue of New Shares under the SPP would be conditional on receipt of shareholder approval.

² Subject to shareholder approval for Tranche Two

Northern Minerals Limited (**ASX: NTU**) (**Northern Minerals** or **Company**) is pleased to announce the launch of a two-tranche placement to institutional and sophisticated investors of new fully paid ordinary shares in the Company (**New Shares**) to raise \$43 million (before costs) (**Placement**) and a \$5 million¹ Share Purchase Plan (before costs) (**SPP**) (the Placement and the SPP together, the **Equity Raising**). Northern Minerals expects to raise gross proceeds of approximately \$48 million (before costs) from the Equity Raising, with New Shares to be issued at a price of \$0.019 per New Share. The Company is pleased to confirm the level of demand for the placement significantly exceeded \$43 million and is appreciative of the support from existing and new shareholders.

Proceeds from the Equity Raising (subject to shareholder approval for Tranche Two of the Placement), along with existing cash reserves will be applied to:

- Finalisation of DFS
- FEED programs and DFS optimisation
- Working capital, site and corporate costs
- Project funding legal and advisory costs
- Additional staffing, site capex, heritage and environmental programs
- Exploration (including progressing updated Mineral Resource estimate for the Wolverine deposit and further mineral resource updates across the Project)
- Additional exploration drilling program (to increase the Project's resource base via extensional and target definition drilling), and
- Offer costs

Further information in relation to the use of funds is included in the presentation lodged with this announcement.

The Browns Range Heavy Rare Earths Project (the **Project**), in the East Kimberley region of Western Australia, is a globally significant heavy rare earths project containing high grades of dysprosium and terbium, which are essential for high-performance permanent magnets used in electric vehicles, wind turbines and specialist defence applications. Northern Minerals has a long-term supply and funding partnership with Iluka Resources (ASX: ILU) to supply Iluka's Eneabba rare earths refinery, currently under construction.

The Equity Raising (subject to shareholder approval for Tranche Two of the Placement) will ensure the Company is funded to complete the DFS in respect of the Project (now scheduled for Q1 CY2025) and, subject to project funding, progress to a Final Investment Decision (**FID**) (now targeted for 1H CY2025). It will also enable the Company to advance exploration initiatives to grow the resource base at Browns Range.

Placement Details

Northern Minerals has received binding commitments from existing and new institutional and sophisticated investors to raise \$43 million (before costs) via a two-tranche Placement of approximately 2,263 million New Shares, issued at an offer price of \$0.019 per New Share, which represents a discount of:

- 20.8% to the last closing price of \$0.024 per share on 11 September 2024; and
- 22.4% to the volume weighted average price of Northern Minerals' shares over the five consecutive trading days on the ASX up to and including 11 September 2024

The Placement is not underwritten and will take place in two tranches:



- Tranche One will be completed under the Company's existing placement capacity pursuant to ASX Listing Rules 7.1 raising approximately \$17 million via the issue of 887,299,896 New Shares (**Tranche One**); and
- Tranche Two of the Placement will be completed, subject to shareholder approval at an upcoming general meeting of the Company expected to be held on or around 6 November 2024 (**Meeting**), to raise the balance of approximately \$26 million via the issue of 1,375,857,999 New Shares (**Tranche Two**)

New Shares issued under the Placement will rank equally with existing Northern Minerals fully paid ordinary shares on issue.

Details of the time and venue for the Meeting will be provided in a notice of meeting expected to be despatched to shareholders on 4 October 2024.

See detailed Timetable below.

Petra Capital Pty Limited and Argonaut Securities Pty Limited acted as joint lead managers and joint bookrunners to the Placement, which was not underwritten. Allens acted as legal adviser to the Company.

Share Purchase Plan Details

The Company will offer eligible existing shareholders on the Company's share register with a registered address in Australia or New Zealand who were holders as at 5.00pm (AWST) on Friday, 13 September 2024 (the **Record Date**) (**Eligible Shareholders**), the opportunity to apply for New Shares via a non-underwritten SPP. The Company may raise up to \$5 million at the same price as the Placement, being \$0.019 per share.

The Company has applied to the ASX for waivers from ASX Listing Rules 7.11 and 10.11 to permit the Company to issue New Shares under the SPP, without shareholder approval, at an issue price of \$0.019 per New Share to Eligible Shareholders (**Waivers**). In the event that the Waivers are not granted, the Company intends to seek shareholder approval to issue the New Shares under the SPP. Accordingly, the issue of New Shares under the SPP is conditional on receipt of the Waivers or, if the Waivers are not granted, shareholder approval.

Eligible Shareholders will have the opportunity to apply for up to \$30,000 of New Shares without incurring any brokerage costs or other transaction costs. New Shares issued under the SPP will rank equally with existing ordinary shares and New Shares issued under the Placement.

The SPP is not underwritten and there is no guarantee that the Company will raise the targeted amount. In the event that the Company receives valid applications under the SPP in excess of the targeted amount, the Company may, in its absolute discretion, raise more than the target or may scale back the number of New Shares issued under the SPP.

Further information on the SPP, including the terms and conditions, will be provided to eligible shareholders in the SPP offer booklet, to be despatched following completion of Tranche One.

Timetable

| Event | Date |
|--|---------------------------|
| SPP Record Date | Friday, 13 September 2024 |
| Launch of Offer (Placement and SPP) and lodgment of Appendix 3B with ASX | Monday, 16 September 2024 |



| Event | Date |
|---|------------------------------|
| Placement Tranche One Settlement | Monday, 23 September 2024 |
| Placement Tranche One Allotment | Tuesday, 24 September 2024 |
| SPP Opening Date and despatch of SPP Offer | Wednesday, 25 September 2024 |
| Despatch of Notice of Meeting | Friday, 4 October 2024 |
| Results of SPP and settlement of New Shares issued under SPP* | Wednesday, 23 October 2024 |
| SPP Closing Date* | Wednesday, 16 October 2024 |
| General Meeting | Wednesday, 6 November 2024 |
| Placement Tranche Two Settlement | Tuesday, 12 November 2024 |
| Placement Tranche Two Allotment | Wednesday, 13 November 2024 |

All times referenced are to Perth time unless denoted otherwise. The timetables are indicative only and subject to variation. The Company reserves the right to alter the timetables at its discretion and without notice, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth) and any other applicable laws.

*To the extent that the Waiver is not granted, shareholder approval may be required which will mean that the SPP Closing Date will be extended to 7 November 2024 and final date to announce the SPP results and issue New Shares under the SPP will be 14 November 2024. The Company reserves the right to close the SPP early or to withdraw the SPP, in its sole and absolute discretion, by lodging an announcement with the ASX. The commencement of trading and quotation of New Shares is subject to ASX confirmation.

Additional Information

Additional information in relation to the Equity Raising, the Company, and the Browns Range Heavy Rare Earths Project are set out in the Company's investor presentation which will be released following this announcement. The Company's investor presentation contains important information including key risks of investing in the Company and the foreign selling restrictions with respect to the Equity Raising. Information regarding the required shareholder approval for the issue of New Shares under Tranche Two and the SPP (if required), will be contained in the notice of meeting expected to be despatched to shareholders on 4 October 2024.

This announcement does not constitute investment, legal, tax or other advice. Investors should seek appropriate financial advice before making any investment decision. Unless stated otherwise, all dollar amounts are in Australian dollars.

This ASX announcement has been authorised for by the Board of Directors.

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About Northern Minerals

Northern Minerals Limited (ASX: NTU) (**Northern Minerals** or the **Company**) owns 100% of the Browns Range Heavy Rare Earths Project in the East Kimberley region of Western Australia (the **Project**). The Project's deposits are uniquely rich in the heavy rare earth elements dysprosium (Dy) and terbium (Tb).

Dysprosium and terbium are critical in the production of dysprosium neodymium iron-boron (DyNdFeB) magnets used in clean energy, military, and high technology solutions. Dysprosium and terbium are prized because their unique properties improve the durability of magnets by increasing their resistance to demagnetisation.

The Project's flagship deposit is Wolverine, which is thought to be the highest-grade dysprosium and terbium ore body in Australia. The Company is preparing to bring Wolverine into production with the objective of providing a reliable alternative source of dysprosium and terbium to production sourced from China.

Northern Minerals is completing a definitive feasibility study for a commercial-scale operation focused on mining and beneficiating ore from the Wolverine deposit, for delivery to Iluka Resources' (ASX: ILU) under-construction rare earths refinery at Eneabba, also in Western Australia.

In addition to Wolverine, Northern Minerals has several additional deposits and prospects within the Project that contain dysprosium and other heavy rare earth elements, hosted in xenotime mineralisation.

For more information, please visit northernminerals.com.au.



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IMPORTANT NOTICES

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This announcement contains certain “forward-looking statements”. The words “expect”, “anticipate”, “estimate”, “intend”, “believe”, “guidance”, “should”, “could”, “may”, “will”, “predict”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Northern Minerals, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Northern Minerals’ business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the ongoing impact of COVID-19 as well as the ongoing Russia-Ukraine and Israel-Palestine conflicts, and except as required by law or regulation, none of Northern Minerals, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to Northern Minerals as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Northern Minerals, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

The information in this announcement is in summary form and does not contain all the information necessary to fully evaluate the transaction or investment. It should be read in conjunction with Northern Minerals’ other periodic and continuous disclosure announcements lodged with ASX. The announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any securities and does not form the basis of any contract or commitment. All persons should consider seeking appropriate professional advice in reviewing this announcement.

