

ASX Announcement

Nolans Project Recommended to NT Government for Final Environmental Approval



5 January 2018

Arafura Resources Limited (ASX: ARU) (Arafura or the Company) is pleased to advise that the Northern Territory Environment Protection Authority (NT EPA) has completed its environmental impact assessment for the Nolans Neodymium-Praseodymium (NdPr) project, and recommends environmental approval subject to conditions regarding appropriate operational controls.

The NT EPA has issued its Environmental Impact Assessment Report and recommendations to the Northern Territory Government's (NTG) Ministers for Environment and Natural Resources, and Primary Industry and Resources, for their consideration.

Concurrent with the release of this report to the NTG, the report is also issued to the Australian Government's Department of the Environment and Energy for its assessment under the *Environment Protection and Biodiversity Conservation Act*. It is expected that this part of the assessment will be completed in February 2018.

The NT EPA and Australian Government environmental impact assessments together form the basis of the project's final environmental approval by the NTG, which is expected during the current quarter.

The completion of the NT EPA's assessment is a key milestone in Nolans' advancement towards a final investment decision (FID).



Nolans progress through environmental approvals

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Arafura's Managing Director, Gavin Lockyer, said, "Our sustainability team has worked diligently alongside our environmental consultants GHD to produce comprehensive, quality documentation to support the passage of the Nolans project through the Northern Territory environmental approvals process.

"This should go some way to securing final government approval for the project, enabling construction to move forward, subject to financing and FID.

"Arafura is also acutely aware of the importance of community acceptance – our social licence to operate – so we will maintain a strong focus on communication and consultation on all aspects of the project," Mr Lockyer said.

The Nolans Environmental Impact Assessment Report can be found on the NT EPA's website at <https://ntepa.nt.gov.au/environmental-assessments/register/nolans-rare-earth>.

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About Arafura Resources and the Nolans NdPr Project

Arafura Resources is an ASX-listed company with offices in Perth and Darwin. Its 100 per cent-owned Nolans Project is located near Aileron, 135 kilometres north-north-west of Alice Springs in Australia's Northern Territory. Arafura plans to mine, concentrate and chemically process rare earths at the Nolans site, then transport an intermediate product to an offshore refinery for final processing into saleable rare earth products.

The key rare earths from the project are Neodymium (Nd) and Praseodymium (Pr). NdPr is in short supply globally and is the critical raw material in the manufacture of ultra-strong, high-performance permanent magnets, which are used extensively in the automotive industry for electric components such as seats, mirrors, wipers, steering and braking. Importantly, NdPr has also emerged as a key enabler of hybrid and electric vehicles (EVs) as high-performance magnets play a key role in electric traction motors.