

ASX RELEASE

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NOLANS ENVIRONMENTAL APPROVALS PROCESS ADVANCES TO NEXT KEY STAGE

- **EIS Supplementary Report lodged with Northern Territory EPA**
- **Final environmental assessment underway**

Arafura Resources Limited (ASX: ARU, "Arafura" or the "Company") is pleased to advise that the Environmental Impact Statement Supplementary Report ("EIS Supplement") for the Company's 100 per cent-owned Nolans Neodymium-Praseodymium ("NdPr") Project has been submitted to the Northern Territory Environment Protection Authority ("NTEPA") for final assessment.

Lodgement of the EIS Supplement with the NTEPA represents the final step in the Northern Territory process for gaining environmental regulatory approval for the Nolans Project. It was prepared by leading environment and resources consulting group GHD following an eight-week public review of the Nolans draft EIS in mid-2016, and provides additional information aimed at clarifying matters that were raised by review respondents.

The EIS Supplement has also been lodged with the Australian Government's Department of the Environment and Energy under the bilateral assessment arrangement between the Northern Territory and Australian governments. This step initiates the Australian Government's final assessment of the draft EIS and EIS Supplement. The Company's engagement with the Australian Government is being aided through the Government's Major Project Facilitation services for which the Nolans Project qualified in September 2016.

The Company is confident that the additional information provided in the EIS Supplement will enable the NTEPA to move through the final assessment and recommendation phase of project approval (Figure 1), and is targeting environmental regulatory approval for the project later this year.

The EIS Supplement will be made available on the Company's website on completion of the NTEPA's assessment.

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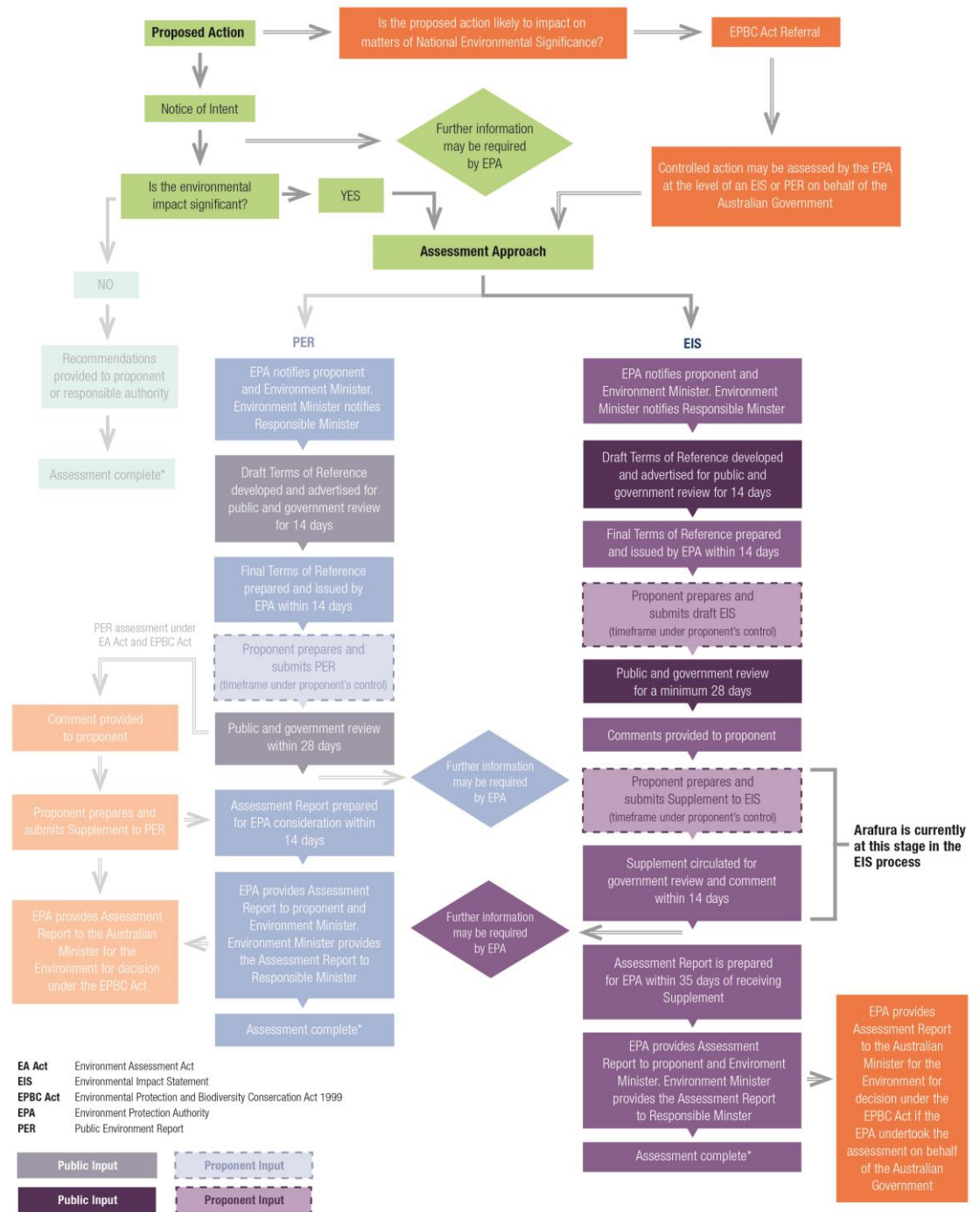
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Figure 1: Northern Territory Environmental Impact Assessment Flowchart
(figure courtesy of the Northern Territory EPA)



*The decision in accordance with the EAAP (Environmental Assessment Administrative Procedures) is subject to clause 14A and 15 of the EAAP.