

ASX Announcement

Nolans DFS – progress update

6 September 2018



- **Definitive Feasibility Study on Nolans NdPr Project progressing to plan with consultants appointed and progressing well in all areas**
- **On schedule for release of Definitive Feasibility Study results in December**
- **Execution planning has begun to enable construction to be progressed efficiently once finance is secured**

Arafura Resources Limited (ASX: ARU) (Arafura or the Company) is pleased to provide an update on the Definitive Feasibility Study (DFS) currently underway on its 100 per cent-owned Nolans Neodymium-Praseodymium (NdPr) Project, 135km north of Alice Springs in the Northern Territory.

The Nolans DFS is progressing to plan and remains on schedule for the release of the results in December 2018. Consultants have now been appointed and are progressing all critical DFS tasks.

Mining engineering activities commenced include preliminary mine design and tendering for contract mining costs in preparation for detailed mine scheduling and optimisation. A Competent Person site visit has also been completed, which is required before Arafura can estimate Ore Reserves for Nolans.

On the processing side, an additional beneficiation variability program to better define the geometallurgical model is progressing and scheduled for completion in September, while price enquiries for mechanical equipment and associated processing plant infrastructure are at an advanced stage.

A comprehensive power and energy options assessment has been finalised and discussions are progressing for gas supply and Build-Own-Operate (BOO) power station options. Borefield design has also been completed and modelling of the groundwater aquifer to demonstrate the robustness of project water supply is well advanced.

Preliminary layouts for the mine, process plant, tailings impoundment, surface water management and other infrastructure have been settled on and will be further refined with information from the geotechnical site evaluation (*refer to ASX announcement 16 August 2018*) that has now been completed. A preliminary tailings impoundment design has been presented to the Northern Territory Department of Primary Industry and Resources for comment.

Arafura has also completed a phase one options assessment for project logistics in conjunction with Qube Logistics and has commenced detailed pricing, while engineering has begun on infrastructure required at Darwin Port for bulk reagent import and phosphoric acid product export.

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NdPr

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Arafura Managing Director, Gavin Lockyer, said: *“The progress being made with the Nolans DFS has been extremely pleasing to date, and bodes well for delivering the findings of the study on schedule in December. The advanced planning that is also taking place will ensure that once finance is secured for the project, front end engineering design and early works construction can get underway quickly and efficiently. We look forward to providing further updates in due course.”*

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